

107TH CONGRESS
1ST SESSION

H. R. 2646

To provide for the continuation of agricultural programs through fiscal year 2011.

IN THE HOUSE OF REPRESENTATIVES

JULY 26, 2001

Mr. COMBEST (for himself and Mr. STENHOLM) introduced the following bill;
which was referred to the Committee on Agriculture

A BILL

To provide for the continuation of agricultural programs
through fiscal year 2011.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

4 (a) SHORT TITLE.—This Act may be cited as the
5 “Agricultural Act of 2001”.

6 (b) TABLE OF CONTENTS.—The table of contents for
7 this Act is as follows:

Sec. 1. Short title; table of contents.

TITLE I—COMMODITY PROGRAMS

Sec. 100. Definitions.

Subtitle A—Fixed Decoupled Payments and Counter-Cyclical Payments

- Sec. 101. Payments to eligible producers.
- Sec. 102. Establishment of payment yield.
- Sec. 103. Establishment of base acres and payment acres for a farm.
- Sec. 104. Availability of fixed, decoupled payments.
- Sec. 105. Availability of counter-cyclical payments.
- Sec. 106. Producer agreement required as condition on provision of fixed, decoupled payments and counter-cyclical payments.
- Sec. 107. Planting flexibility.
- Sec. 108. Relation to remaining payment authority under production flexibility contracts.
- Sec. 109. Payment limitations.
- Sec. 110. Period of effectiveness.

Subtitle B—Marketing Assistance Loans and Loan Deficiency Payments

- Sec. 121. Availability of nonrecourse marketing assistance loans for covered commodities.
- Sec. 122. Loan rates for nonrecourse marketing assistance loans.
- Sec. 123. Term of loans.
- Sec. 124. Repayment of loans.
- Sec. 125. Loan deficiency payments.
- Sec. 126. Payments in lieu of loan deficiency payments for grazed acreage.
- Sec. 127. Special marketing loan provisions for upland cotton.
- Sec. 128. Special competitive provisions for extra long staple cotton.
- Sec. 129. Availability of recourse loans for high moisture feed grains and seed cotton and other fibers.
- Sec. 130. Availability of nonrecourse marketing assistance loans for wool and mohair.
- Sec. 131. Availability of nonrecourse marketing assistance loans for honey.

Subtitle C—Other Commodities

CHAPTER 1—DAIRY

- Sec. 141. Milk price support program.
- Sec. 142. Repeal of recourse loan program for processors.
- Sec. 143. Dairy export incentive program.
- Sec. 144. Fluid milk promotion.
- Sec. 145. Dairy product mandatory reporting.
- Sec. 146. Funding of dairy promotion and research program.

CHAPTER 2—SUGAR

- Sec. 151. Sugar program.
- Sec. 152. Reauthorize provisions of Agricultural Adjustment Act of 1938 regarding sugar.
- Sec. 153. Storage facility loans.

CHAPTER 3—PEANUTS

- Sec. 161. Definitions.
- Sec. 162. Establishment of payment yield, peanut acres, and payment acres for a farm.
- Sec. 163. Availability of fixed, decoupled payments for peanuts.
- Sec. 164. Availability of counter-cyclical payments for peanuts.

- Sec. 165. Producer agreement required as condition on provision of fixed, decoupled payments and counter-cyclical payments.
- Sec. 166. Planting flexibility.
- Sec. 167. Marketing assistance loans and loan deficiency payments for peanuts.
- Sec. 168. Quality improvement.
- Sec. 169. Payment limitations.
- Sec. 170. Termination of marketing quota programs for peanuts and compensation to peanut quota holders for loss of quota asset value.

Subtitle D—Administration

- Sec. 181. Administration generally.
- Sec. 182. Extension of suspension of permanent price support authority.
- Sec. 183. Limitations.
- Sec. 184. Adjustments of loans.
- Sec. 185. Personal liability of producers for deficiencies.
- Sec. 186. Extension of existing administrative authority regarding loans.
- Sec. 187. Assignment of payments.

TITLE II—CONSERVATION

Subtitle A—Definition

- Sec. 201. Definition of agricultural commodity.

Subtitle B—Wetland Conservation Program

- Sec. 211. Ineligibility for certain loans and payments.

Subtitle C—Environmental Conservation Acreage Reserve Program

- Sec. 221. Elimination of general provisions.

Subtitle D—Conservation Reserve Program

- Sec. 231. Reauthorization.
- Sec. 232. Enrollment.
- Sec. 233. Duties of owners and operators.
- Sec. 234. Duties of the Secretary.
- Sec. 235. Acceptance of contract offers.
- Sec. 236. Contracts.

Subtitle E—Wetlands Reserve Program

- Sec. 241. Enrollment.
- Sec. 242. Easements and agreements.
- Sec. 243. Duties of the Secretary.
- Sec. 244. Payment limitation.
- Sec. 245. Changes in ownership; agreement modification; termination.

Subtitle F—Environmental Quality Incentives Program

- Sec. 251. Purposes.
- Sec. 252. Definitions.
- Sec. 253. Establishment and administration.
- Sec. 254. Evaluation of offers and payments.
- Sec. 255. Duties of producers.
- Sec. 256. Environmental Quality Incentives Program plan.

- Sec. 257. Duties of the Secretary.
- Sec. 258. Limitation on payments.
- Sec. 259. Groundwater conservation.

Subtitle G—Funding and Administration

- Sec. 261. Reauthorization.
- Sec. 262. Funding.
- Sec. 263. Allocation for livestock production.
- Sec. 264. Use of other agencies.
- Sec. 265. Administration and technical assistance.

Subtitle H—Other Programs

- Sec. 271. Wildlife Habitat Incentives Program.
- Sec. 272. Farmland Protection Program.
- Sec. 273. Resource Conservation and Development Program.
- Sec. 274. Grassland Reserve Program.
- Sec. 275. Farmland Stewardship Program.
- Sec. 276. Small Watershed Rehabilitation Program.

Subtitle I—Availability of Funds

- Sec. 281. Availability of funds appropriated pursuant to the Soil Conservation and Domestic Allotment Act.

Subtitle K—Repeals

- Sec. 291. Provisions of Food Security Act of 1985.

TITLE III—TRADE

- Sec. 301. Market Access Program.
- Sec. 302. Food for Progress.
- Sec. 303. Export Enhancement Program.
- Sec. 304. Foreign Market Development Cooperator Program.
- Sec. 305. Export Credit Guarantee Program.
- Sec. 306. PL 480.
- Sec. 307. Emerging markets.
- Sec. 308. Bill Emerson Humanitarian Trust.
- Sec. 309. Technical assistance for specialty crops.

TITLE IV—NUTRITION PROGRAMS

Subtitle A—Food Stamp Program

- Sec. 401. Simplified definition of income.
- Sec. 402. Standard deduction.
- Sec. 403. Transitional food stamps for families moving from welfare.
- Sec. 404. Quality control systems.
- Sec. 405. Simplified application and eligibility determination systems.
- Sec. 406. Authorization of appropriations.

Subtitle B—Commodity Distribution

- Sec. 441. Distribution of surplus commodities to special nutrition projects.
- Sec. 442. Commodity supplemental food program.
- Sec. 443. Emergency food assistance.

Subtitle C—Miscellaneous Provisions

- Sec. 461. Hunger fellowship program.
- Sec. 462. General effective date.

TITLE V—CREDIT

- Sec. 501. Eligibility of limited liability companies for farm ownership loans, farm operating loans, and emergency loans.
- Sec. 502. Suspension of limitation on period for which borrowers are eligible for guaranteed assistance.
- Sec. 503. Administration of certified lenders and preferred certified lenders programs.
- Sec. 504. Simplified loan guarantee application available for loans of greater amounts.
- Sec. 505. Elimination of requirement that Secretary require county committees to certify in writing that certain loan reviews have been conducted.
- Sec. 506. Authority to reduce percentage of loan guaranteed if borrower income is insufficient to service debt.
- Sec. 507. Timing of loan assessments.
- Sec. 508. Making and servicing of loans by personnel of State, county, or area committees.
- Sec. 509. Eligibility of employees of State, county, or area committee for loans and loan guarantees.
- Sec. 510. Emergency loans in response to an economic emergency resulting from sharply increasing energy costs.
- Sec. 511. Extension of authority to contract for servicing of farmer program loans.
- Sec. 512. Authorization for loans.
- Sec. 513. Reservation of funds for direct operating loans for beginning farmers and ranchers.
- Sec. 514. Extension of Interest Rate Reduction Program.
- Sec. 515. Increase in duration of loans under Down Payment Loan Program.
- Sec. 516. Horse breeder loans.

TITLE VI—RURAL DEVELOPMENT

- Sec. 601. Funding for rural local television broadcast signal loan guarantees.
- Sec. 602. Value-added agricultural product market development grants.
- Sec. 603. Agriculture innovation center demonstration program.
- Sec. 604. Funding of community water assistance grant program.
- Sec. 605. Loan guarantees for the financing of the purchase of renewable energy systems.
- Sec. 606. Loans and loan guarantees for renewable energy systems.
- Sec. 607. Rural business opportunity grants.
- Sec. 608. Grants for water systems for rural and native villages in Alaska.
- Sec. 609. Rural cooperative development grants.
- Sec. 610. National reserve account of Rural Development Trust Fund.
- Sec. 611. Rural venture capital demonstration program.
- Sec. 612. Increase in limit on certain loans for rural development.
- Sec. 613. Pilot program for development and implementation of strategic regional development plans.

- Sec. 614. Grants to nonprofit organizations to finance the construction, refurbishing, and servicing of individually-owned household water well systems in rural areas for individuals with low or moderate incomes.
- Sec. 615. National Rural Development Partnership.

TITLE VII—RESEARCH AND RELATED MATTERS

Subtitle A—Extensions

- Sec. 700. Market expansion research.
- Sec. 701. National Rural Information Center Clearinghouse.
- Sec. 702. Grants and fellowships for food and agricultural sciences education.
- Sec. 703. Policy research centers.
- Sec. 704. Human nutrition intervention and health promotion research program.
- Sec. 705. Pilot research program to combine medical and agricultural research.
- Sec. 706. Nutrition education program.
- Sec. 707. Continuing animal health and disease research programs.
- Sec. 708. Appropriations for research on national or regional problems.
- Sec. 709. Grants to upgrade agricultural and food sciences facilities at 1890 land-grant colleges, including Tuskegee University.
- Sec. 710. National research and training centennial centers at 1890 land-grant institutions.
- Sec. 711. Hispanic-serving institutions.
- Sec. 712. Competitive grants for international agricultural science and education programs.
- Sec. 713. University research.
- Sec. 714. Extension service.
- Sec. 715. Supplemental and alternative crops.
- Sec. 716. Aquaculture research facilities.
- Sec. 717. Rangeland research.
- Sec. 718. National genetics resources program.
- Sec. 719. High-priority research and extension initiatives.
- Sec. 720. Nutrient management research and extension initiative.
- Sec. 721. Agricultural telecommunications program.
- Sec. 722. Alternative Agricultural Research And Commercialization Revolving Fund.
- Sec. 723. Assistive technology program for farmers with disabilities.
- Sec. 724. Partnerships for high-value agricultural product quality research.
- Sec. 725. Biobased products.
- Sec. 726. Integrated research, education, and extension competitive grants program.
- Sec. 727. Institutional capacity building grants.
- Sec. 728. 1994 Institution research grants.
- Sec. 729. Endowment for 1994 Institutions.
- Sec. 730. Precision agriculture.
- Sec. 731. Thomas Jefferson Initiative for Crop Diversification.
- Sec. 732. Support for research regarding diseases of wheat, triticale, and barley caused by *Fusarium graminearum* or by *Tilletia indica*.
- Sec. 733. Office of Pest Management policy.
- Sec. 734. National Agricultural Research, Extension, Education, and Economics Advisory Board.
- Sec. 735. Grants for research on production and marketing of alcohols and industrial hydrocarbons from agricultural commodities and forest products.

- Sec. 736. Biomass research and development.
- Sec. 737. Agricultural experiment stations research facilities.
- Sec. 738. Competitive, Special, and Facilities Research Grants National Research Initiative.
- Sec. 739. Federal agricultural research facilities authorization of appropriations.

Subtitle B—Modifications

- Sec. 741. Equity in Educational Land-Grant Status Act of 1994.
- Sec. 742. National Agricultural Research, Extension, and Teaching Policy Act of 1977.
- Sec. 743. Agricultural Research, Extension, and Education Reform Act of 1998.
- Sec. 744. Food, Agriculture, Conservation, and Trade Act of 1990.
- Sec. 745. National Agricultural Research, Extension, and Teaching Policy Act of 1977.
- Sec. 746. Biomass research and development.
- Sec. 747. Biotechnology risk assessment research.
- Sec. 748. Competitive, special, and facilities research grants.
- Sec. 749. Matching funds requirement for research and extension activities of 1890 Institutions.
- Sec. 750. Initiative for future agriculture and food systems.
- Sec. 751. Carbon cycle research.
- Sec. 752. Definition of food and agricultural sciences.
- Sec. 753. Federal extension service.

Subtitle C—Related Matters

- Sec. 761. Resident instruction at land-grant colleges in United States territories.
- Sec. 762. Declaration of extraordinary emergency and resulting authorities.

Subtitle D—Repeal of Certain Activities and Authorities

- Sec. 771. Food Safety Research Information Office and National Conference.
- Sec. 772. Reimbursement of expenses under Sheep Promotion, Research, and Information Act of 1994.
- Sec. 773. National genetic resources program.
- Sec. 774. National Advisory Board on Agricultural Weather.
- Sec. 775. Agricultural information exchange with Ireland.
- Sec. 776. Pesticide resistance study.
- Sec. 777. Expansion of education study.
- Sec. 778. Support for Advisory Board.
- Sec. 779. Task force on 10-year strategic plan for agricultural research facilities.

Subtitle E—Agriculture Facility Protection

- Sec. 790. Additional protections for animal or agricultural enterprises, research facilities, and other entities.

TITLE VIII—FORESTRY INITIATIVES

- Sec. 801. Repeal of forestry incentives program and stewardship incentive program.
- Sec. 802. Establishment of forest land enhancement program.

- Sec. 803. Renewable resources extension activities.
- Sec. 804. Enhanced community fire protection.
- Sec. 805. International forestry program.
- Sec. 806. Long-term forest stewardship contracts for hazardous fuels removal and implementation of National Fire Plan.
- Sec. 807. McIntire-Stennis cooperative forestry research program.

TITLE IX—MISCELLANEOUS PROVISIONS

Subtitle A—Tree Assistance Program

- Sec. 901. Eligibility.
- Sec. 902. Assistance.
- Sec. 903. Limitation on assistance.
- Sec. 904. Definitions.
- Sec. 905. Duplicative payments.

Subtitle B—Other Matters

- Sec. 911. Hazardous fuel reduction grants to prevent wildfire disasters and transform hazardous fuels to electric energy, useful heat, or transportation fuels.
- Sec. 912. Bioenergy program.
- Sec. 913. Availability of section 32 funds.
- Sec. 914. Seniors farmers' market nutrition program.
- Sec. 915. Federal marketing order for cane berries.

TITLE I—COMMODITY PROGRAMS

3 SEC. 100. DEFINITIONS.

4 In this title (other than chapter 3 of subtitle C):

5 (1) AGRICULTURAL ACT OF 1949.—The term
6 “Agricultural Act of 1949” means the Agricultural
7 Act of 1949 (7 U.S.C. 1421 et seq.), as in effect
8 prior to the suspensions under section 171 of the
9 Federal Agriculture Improvement and Reform Act of
10 1996 (7 U.S.C. 7301).

11 (2) BASE ACRES.—The term “base acres”, with
12 respect to a covered commodity on a farm, means
13 the number of acres established under section 103
14 with respect to the commodity upon the election

1 made by the producers on the farm under subsection
2 (a) of such section.

3 (3) COUNTER-CYCLICAL PAYMENT.—The term
4 “counter-cyclical payment” means a payment made
5 to producers under section 105.

6 (4) COVERED COMMODITY.—The term “covered
7 commodity” means wheat, corn, grain sorghum, bar-
8 ley, oats, upland cotton, rice, soybeans, and other
9 oilseeds.

10 (5) EFFECTIVE PRICE.—The term “effective
11 price”, with respect to a covered commodity for a
12 crop year, means the price calculated by the Sec-
13 retary under section 105 to determine whether
14 counter-cyclical payments are required to be made
15 for that crop year.

16 (6) ELIGIBLE PRODUCER.—The term “eligible
17 producer” means a producer described in section
18 101(a).

19 (7) FIXED, DECOUPLED PAYMENT.—The term
20 “fixed, decoupled payment” means a payment made
21 to producers under section 104.

22 (8) OTHER OILSEED.—The term “other oil-
23 seed” means a crop of sunflower seed, rapeseed,
24 canola, safflower, flaxseed, mustard seed, or, if des-
25 ignated by the Secretary, another oilseed.

1 (9) PAYMENT ACRES.—The term “payment
2 acres” means 85 percent of the base acres of a cov-
3 ered commodity on a farm, as established under sec-
4 tion 103, upon which fixed, decoupled payments and
5 counter-cyclical payments are to be made.

6 (10) PAYMENT YIELD.—The term “payment
7 yield” means the yield established under section 102
8 for a farm for a covered commodity.

9 (11) PRODUCER.—The term “producer” means
10 an owner, operator, landlord, tenant, or share-
11 cropper who shares in the risk of producing a crop
12 and who is entitled to share in the crop available for
13 marketing from the farm, or would have shared had
14 the crop been produced. In determining whether a
15 grower of hybrid seed is a producer, the Secretary
16 shall not take into consideration the existence of a
17 hybrid seed contract and shall ensure that program
18 requirements do not adversely affect the ability of
19 the grower to receive a payment under this title.

20 (12) SECRETARY.—The term “Secretary”
21 means the Secretary of Agriculture.

22 (13) STATE.—The term “State” means each of
23 the several States of the United States, the District
24 of Columbia, the Commonwealth of Puerto Rico, and

1 any other territory or possession of the United
2 States.

3 (14) TARGET PRICE.—The term “target price”
4 means the price per bushel (or other appropriate
5 unit in the case of upland cotton, rice, and other oil-
6 seeds) of a covered commodity used to determine the
7 payment rate for counter-cyclical payments.

8 (15) UNITED STATES.—The term “United
9 States”, when used in a geographical sense, means
10 all of the States.

11 **Subtitle A—Fixed Decoupled Pay-**
12 **ments and Counter-Cyclical**
13 **Payments**

14 **SEC. 101. PAYMENTS TO ELIGIBLE PRODUCERS.**

15 (a) PAYMENTS REQUIRED.—Beginning with the
16 2002 crop of covered commodities, the Secretary shall
17 make fixed decoupled payments and counter-cyclical pay-
18 ments under this subtitle—

19 (1) to producers on a farm that were parties to
20 a production flexibility contract under section 111 of
21 the Federal Agriculture Improvement and Reform
22 Act of 1996 (7 U.S.C. 7211) for fiscal year 2002;
23 and

24 (2) to other producers on farms in the United
25 States as described in section 103(a).

1 (b) TENANTS AND SHARECROPPERS.—In carrying
2 out this title, the Secretary shall provide adequate safe-
3 guards to protect the interests of tenants and share-
4 croppers.

5 (c) SHARING OF PAYMENTS.—The Secretary shall
6 provide for the sharing of fixed, decoupled payments and
7 counter-cyclical payments among the eligible producers on
8 a farm on a fair and equitable basis.

9 **SEC. 102. ESTABLISHMENT OF PAYMENT YIELD.**

10 (a) ESTABLISHMENT AND PURPOSE.—For the pur-
11 pose of making fixed decoupled payments and counter-cy-
12 clical payments under this subtitle, the Secretary shall
13 provide for the establishment of a payment yield for each
14 farm for each covered commodity in accordance with this
15 section.

16 (b) USE OF FARM PROGRAM PAYMENT YIELD.—Ex-
17 cept as otherwise provided in this section, the payment
18 yield for each of the 2002 through 2011 crops of a covered
19 commodity for a farm shall be the farm program payment
20 yield in effect for the 2002 crop of the covered commodity
21 under section 505 of the Agricultural Act of 1949 (7
22 U.S.C. 1465).

23 (c) FARMS WITHOUT FARM PROGRAM PAYMENT
24 YIELD.—In the case of a farm for which a farm program
25 payment yield is unavailable for a covered commodity

1 (other than soybeans or other oilseeds), the Secretary shall
2 establish an appropriate payment yield for the covered
3 commodity on the farm taking in consideration the farm
4 program payment yields applicable to the commodity
5 under subsection (b) for similar farms in the area.

6 (d) PAYMENT YIELDS FOR OILSEEDS.—

7 (1) AVERAGE YIELD.—In the case of soybeans
8 and each other oilseed, the Secretary shall establish
9 a payment yield for a farm for the oilseed by first
10 determining the average yield for the oilseed on the
11 farm for the 1998 through 2001 crop years, exclud-
12 ing any crop year in which the yield was zero. If, for
13 any of these four crop years in which the oilseed was
14 planted, the farm would have satisfied the eligibility
15 criteria established to carry out section 1102 of the
16 Agriculture, Rural Development, Food and Drug
17 Administration, and Related Agencies Appropria-
18 tions Act, 1999 (Public Law 105–277; 7 U.S.C.
19 1421 note), the Secretary shall assign a yield for
20 that year equal to 65 percent of the county yield.

21 (2) REDUCTION.—The Secretary shall reduce
22 the average yield determined under paragraph (1)
23 for the oilseed by a percentage equal to the percent-
24 age increase in national average yields for the oil-
25 seed between the following two periods:

1 (A) The 1981 through 1985 crops.

2 (B) The 1998 through 2001 crops.

3 **SEC. 103. ESTABLISHMENT OF BASE ACRES AND PAYMENT**

4 **ACRES FOR A FARM.**

5 (a) ELECTION BY PRODUCERS OF BASE ACRE CAL-
6 CULATION METHOD.—For the purpose of making fixed
7 decoupled payments and counter-cyclical payments with
8 respect to a farm, the Secretary shall give producers on
9 the farm an opportunity to elect one of the following as
10 the method by which the base acres of all covered commod-
11 ities on the farm are to be determined:

12 (1) The four-year average of acreage actually
13 planted on the farm to a covered commodity for har-
14 vest, grazing, haying, silage, or other similar pur-
15 poses during crop years 1998, 1999, 2000, and
16 2001 and any acreage on the farm that the pro-
17 ducers were prevented from planting during such
18 crop years to the covered commodity because of
19 drought, flood, or other natural disaster, or other
20 condition beyond the control of the producer, as de-
21 termined by the Secretary.

22 (2) The contract acreage (as defined in section
23 102 of the Federal Agriculture Improvement and
24 Reform Act of 1996 (7 U.S.C. 7202)) used by the
25 Secretary to calculate the fiscal year 2002 payment

1 that, subject to section 109, would be made under
2 section 114 of such Act (7 U.S.C. 7214) for the cov-
3 ered commodity on the farm.

4 (b) SINGLE ELECTION; TIME FOR ELECTION.—The
5 opportunity to make the election described in subsection
6 (a) shall be available to producers on a farm only once.
7 The producers shall notify the Secretary of the election
8 made by the producers under such subsection not later
9 than 180 days after the date of the enactment of this Act.

10 (c) EFFECT OF FAILURE TO MAKE ELECTION.—If
11 the producers on a farm fail to make the election under
12 subsection (a), or fail to timely notify the Secretary of the
13 selected option as required by subsection (b), the pro-
14 ducers shall be deemed to have made the election described
15 in subsection (a)(2) to determine base acres for all covered
16 commodities on the farm.

17 (d) APPLICATION OF ELECTION TO ALL COVERED
18 COMMODITIES.—The election made under subsection (a)
19 or deemed to be made under subsection (c) with respect
20 to a farm shall apply to all of the covered commodities
21 on the farm. Producers may not make the election de-
22 scribed in subsection (a)(1) for one covered commodity
23 and the election described in subsection (a)(2) for other
24 covered commodities on the farm.

1 (e) TREATMENT OF CONSERVATION RESERVE CON-
2 TRACT ACREAGE.—

3 (1) IN GENERAL.—In the case of producers on
4 a farm that make the election described in sub-
5 section (a)(2), the Secretary shall provide for an ad-
6 justment in the base acres for the farm whenever ei-
7 ther of the following circumstances occur:

8 (A) A conservation reserve contract en-
9 tered into under section 1231 of the Food Secu-
10 rity Act of 1985 (16 U.S.C. 3831) with respect
11 to the farm expires or is voluntarily terminated.

12 (B) Cropland is released from coverage
13 under a conservation reserve contract by the
14 Secretary.

15 (2) SPECIAL PAYMENT RULES.—For the fiscal
16 year and crop year in which a base acre adjustment
17 under paragraph (1) is first made, the producers on
18 the farm shall elect to receive either fixed decoupled
19 payments and counter-cyclical payments with respect
20 to the acreage added to the farm under this sub-
21 section or a prorated payment under the conserva-
22 tion reserve contract, but not both.

23 (f) PAYMENTS ACRES.—The payment acres for a cov-
24 ered commodity on a farm shall be equal to 85 percent
25 of the base acres for the commodity.

1 (g) PREVENTION OF EXCESS PAYMENT ACRES.—

2 (1) REQUIRED REDUCTION.—If the sum of the
3 base acres for a farm, together with the acreage de-
4 scribed in paragraph (2), exceeds the actual crop-
5 land acreage of the farm, the Secretary shall make
6 such reductions in the quantity of base acres for the
7 farm as may be necessary so that the sum of the
8 base acres and acreage described in paragraph (2)
9 does not exceed the actual cropland acreage of the
10 farm.

11 (2) OTHER ACREAGE.—For purposes of para-
12 graph (1), the Secretary shall include the following:

13 (A) Any peanut acreage for the farm under
14 chapter 3 of subtitle C.

15 (B) Any acreage on the farm enrolled in
16 the conservation reserve program or wetlands
17 reserve program under chapter 1 of subtitle D
18 of title XII of the Food Security Act of 1985
19 (16 U.S.C. 3830 et seq.).

20 (C) Any other acreage on the farm enrolled
21 in a conservation program for which payments
22 are made in exchange for not producing an ag-
23 ricultural commodity on the acreage.

1 **SEC. 104. AVAILABILITY OF FIXED, DECOUPLED PAYMENTS.**

2 (a) PAYMENT REQUIRED.—For each of the 2002
3 through 2011 crop years of each covered commodity, the
4 Secretary shall make fixed, decoupled payments to eligible
5 producers.

6 (b) PAYMENT RATE.—The payment rates used to
7 make fixed, decoupled payments with respect to covered
8 commodities for a crop year are as follows:

- 9 (1) Wheat, \$0.53 per bushel.
10 (2) Corn, \$0.30 per bushel.
11 (3) Grain sorghum, \$0.36 per bushel.
12 (4) Barley, \$0.25 per bushel.
13 (5) Oats, \$0.025 per bushel.
14 (6) Upland cotton, \$0.0667 per pound.
15 (7) Rice, \$2.35 per hundredweight.
16 (8) Soybeans, \$0.42 per bushel.
17 (9) Other oilseeds, \$0.0074 per pound.

18 (c) PAYMENT AMOUNT.—The amount of the fixed,
19 decoupled payment to be paid to the eligible producers on
20 a farm for a covered commodity for a crop year shall be
21 equal to the product of the following:

- 22 (1) The payment rate specified in subsection
23 (b).
24 (2) The payment acres of the covered com-
25 modity on the farm.

1 (3) The payment yield for the covered com-
2 modity for the farm.

3 (d) TIME FOR PAYMENT.—

4 (1) GENERAL RULE.—Fixed, decoupled pay-
5 ments shall be paid not later than September 30 of
6 each of fiscal years 2002 through 2011. In the case
7 of the 2002 crop, payments may begin to be made
8 on or after December 1, 2001.

9 (2) ADVANCE PAYMENTS.—At the option of an
10 eligible producer, 50 percent of the fixed, decoupled
11 payment for a fiscal year shall be paid on a date se-
12 lected by the producer. The selected date shall be on
13 or after December 1 of that fiscal year, and the pro-
14 ducer may change the selected date for a subsequent
15 fiscal year by providing advance notice to the Sec-
16 retary.

17 (3) REPAYMENT OF ADVANCE PAYMENTS.—If a
18 producer that receives an advance fixed, decoupled
19 payment for a fiscal year ceases to be an eligible
20 producer before the date the fixed, decoupled pay-
21 ment would otherwise have been made by the Sec-
22 retary under paragraph (1), the producer shall be
23 responsible for repaying the Secretary the full
24 amount of the advance payment.

1 **SEC. 105. AVAILABILITY OF COUNTER-CYCLICAL PAY-**
2 **MENTS.**

3 (a) **PAYMENT REQUIRED.**—The Secretary shall make
4 counter-cyclical payments with respect to a covered com-
5 modity whenever the Secretary determines that the effec-
6 tive price for the commodity is less than the target price
7 for the commodity.

8 (b) **EFFECTIVE PRICE.**—For purposes of subsection
9 (a), the effective price for a covered commodity is equal
10 to the sum of the following:

11 (1) The higher of the following:

12 (A) The national average market price re-
13 ceived by producers during the 12-month mar-
14 keting year for the commodity, as determined
15 by the Secretary.

16 (B) The national average loan rate for a
17 marketing assistance loan for the covered com-
18 modity in effect for the same period under sub-
19 title B.

20 (2) The payment rate in effect for the covered
21 commodity under section 104 for the purpose of
22 making fixed, decoupled payments with respect to
23 the commodity.

24 (c) **TARGET PRICE.**—For purposes of subsection (a),
25 the target prices for covered commodities are as follows:

26 (1) Wheat, \$4.04 per bushel.

1 (2) Corn, \$2.78 per bushel.

2 (3) Grain sorghum, \$2.64 per bushel.

3 (4) Barley, \$2.39 per bushel.

4 (5) Oats, \$1.47 per bushel.

5 (6) Upland cotton, \$0.736 per pound.

6 (7) Rice, \$10.82 per hundredweight.

7 (8) Soybeans, \$5.86 per bushel.

8 (9) Other oilseeds, \$0.1036 per pound.

9 (d) PAYMENT RATE.—The payment rate used to
10 make counter-cyclical payments with respect to a covered
11 commodity for a crop year shall be equal to the difference
12 between—

13 (1) the target price for the commodity; and

14 (2) the effective price determined under sub-
15 section (b) for the commodity.

16 (e) PAYMENT AMOUNT.—The amount of the counter-
17 cyclical payment to be paid to the eligible producers on
18 a farm for a covered commodity for a crop year shall be
19 equal to the product of the following:

20 (1) The payment rate specified in subsection
21 (d).

22 (2) The payment acres of the covered com-
23 modity on the farm.

24 (3) The payment yield for the covered com-
25 modity for the farm.

1 (f) TIME FOR PAYMENTS.—

2 (1) GENERAL RULE.—The Secretary shall make
3 counter-cyclical payments under this section for a
4 crop of a covered commodity as soon as possible
5 after determining under subsection (a) that such
6 payments are required for that crop year.

7 (2) PARTIAL PAYMENT.—The Secretary may
8 permit, and, if so permitted, an eligible producer
9 may elect to receive, up to 50 percent of the pro-
10 jected counter-cyclical payment, as determined by
11 the Secretary, to be made under this section for a
12 crop of a covered commodity upon completion of the
13 first six months of the marketing year for that crop.
14 The producer shall repay to the Secretary the
15 amount, if any, by which the partial payment ex-
16 ceeds the actual counter-cyclical payment to be made
17 for that marketing year.

18 (g) SPECIAL RULE FOR CURRENTLY UNDESIGNATED
19 OILSEED.—If the Secretary uses the authority under sec-
20 tion 100(8) to designate another oilseed as an oilseed for
21 which counter-cyclical payments may be made, the Sec-
22 retary may modify the target price specified in subsection
23 (c)(9) that would otherwise apply to that oilseed as the
24 Secretary considers appropriate.

1 **SEC. 106. PRODUCER AGREEMENT REQUIRED AS CONDI-**
2 **TION ON PROVISION OF FIXED, DECOUPLED**
3 **PAYMENTS AND COUNTER-CYCLICAL PAY-**
4 **MENTS.**

5 (a) COMPLIANCE WITH CERTAIN REQUIREMENTS.—

6 (1) REQUIREMENTS.—Before the producers on
7 a farm may receive fixed, decoupled payments or
8 counter-cyclical payments with respect to the farm,
9 the producers shall agree, in exchange for the
10 payments—

11 (A) to comply with applicable conservation
12 requirements under subtitle B of title XII of
13 the Food Security Act of 1985 (16 U.S.C. 3811
14 et seq.);

15 (B) to comply with applicable wetland pro-
16 tection requirements under subtitle C of title
17 XII of the Act (16 U.S.C. 3821 et seq.);

18 (C) to comply with the planting flexibility
19 requirements of section 107; and

20 (D) to use the land on the farm, in an
21 amount equal to the base acres, for an agricul-
22 tural or conserving use, and not for a non-
23 agricultural commercial or industrial use, as de-
24 termined by the Secretary.

25 (2) COMPLIANCE.—The Secretary may issue
26 such rules as the Secretary considers necessary to

1 ensure producer compliance with the requirements of
2 paragraph (1).

3 (b) EFFECT OF FORECLOSURE.—A producer may not
4 be required to make repayments to the Secretary of fixed,
5 decoupled payments and counter-cyclical payments if the
6 farm has been foreclosed on and the Secretary determines
7 that forgiving the repayments is appropriate to provide
8 fair and equitable treatment. This subsection shall not
9 void the responsibilities of the producer under subsection
10 (a) if the producer continues or resumes operation, or con-
11 trol, of the farm. On the resumption of operation or con-
12 trol over the farm by the producer, the requirements of
13 subsection (a) in effect on the date of the foreclosure shall
14 apply.

15 (c) TRANSFER OR CHANGE OF INTEREST IN FARM.—

16 (1) TERMINATION.—Except as provided in
17 paragraph (4), a transfer of (or change in) the inter-
18 est of a producer in base acres for which fixed, de-
19 coupled payments or counter-cyclical payments are
20 made shall result in the termination of the payments
21 with respect to the base acres, unless the transferee
22 or owner of the acreage agrees to assume all obliga-
23 tions under subsection (a). The termination shall be
24 effective on the date of the transfer or change.

1 (2) TRANSFER OF PAYMENT BASE.—There is
2 no restriction on the transfer of a farm’s base acres
3 or payment yield as part of a change in the pro-
4 ducers on the farm.

5 (3) MODIFICATION.—At the request of the
6 transferee or owner, the Secretary may modify the
7 requirements of subsection (a) if the modifications
8 are consistent with the objectives of such subsection,
9 as determined by the Secretary.

10 (4) EXCEPTION.—If a producer entitled to a
11 fixed, decoupled payment or counter-cyclical pay-
12 ment dies, becomes incompetent, or is otherwise un-
13 able to receive the payment, the Secretary shall
14 make the payment, in accordance with regulations
15 prescribed by the Secretary.

16 (d) ACREAGE REPORTS.—

17 (1) IN GENERAL.—As a condition on the receipt
18 of any benefits under this subtitle or subtitle B, the
19 Secretary shall require producers to submit to the
20 Secretary acreage reports.

21 (2) CONFORMING AMENDMENT.—Section 15 of
22 the Agricultural Marketing Act (12 U.S.C. 1141j) is
23 amended by striking subsection (d).

24 (e) REVIEW.—A determination of the Secretary
25 under this section shall be considered to be an adverse

1 decision for purposes of the availability of administrative
2 review of the determination.

3 **SEC. 107. PLANTING FLEXIBILITY.**

4 (a) PERMITTED CROPS.—Subject to subsection (b),
5 any commodity or crop may be planted on base acres on
6 a farm.

7 (b) LIMITATIONS AND EXCEPTIONS REGARDING
8 FRUITS AND VEGETABLES.—

9 (1) LIMITATIONS.—The planting of fruits and
10 vegetables (other than lentils, mung beans, and dry
11 peas) shall be prohibited on base acres.

12 (2) EXCEPTIONS.—Paragraph (1) shall not
13 limit the planting of a fruit or vegetable—

14 (A) in any region in which there is a his-
15 tory of double-cropping of covered commodities
16 with fruits or vegetables, as determined by the
17 Secretary, in which case the double-cropping
18 shall be permitted;

19 (B) on a farm that the Secretary deter-
20 mines has a history of planting fruits or vegeta-
21 bles on base acres, except that fixed, decoupled
22 payments and counter-cyclical payments shall
23 be reduced by an acre for each acre planted to
24 the fruit or vegetable; or

(C) by a producer who the Secretary determines has an established planting history of a specific fruit or vegetable, except that—

(i) the quantity planted may not exceed the producer's average annual planting history of the fruit or vegetable in the 1991 through 1995 crop years (excluding any crop year in which no plantings were made), as determined by the Secretary; and

(ii) fixed, decoupled payments and counter-cyclical payments shall be reduced by an acre for each acre planted to the fruit or vegetable.

**SEC. 108. RELATION TO REMAINING PAYMENT AUTHORITY
UNDER PRODUCTION FLEXIBILITY CONTRACTS.**

(a) TERMINATION OF SUPERSEDED PAYMENT AUTHORITY.—Notwithstanding section 113(a)(7) of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7213(a)(7)) or any other provision of law, the Secretary shall not make payments for fiscal year 2002 after the date of the enactment of this Act under production flexibility contracts entered into under section 111 of such Act (7 U.S.C. 7211).

1 (b) CONTRACT PAYMENTS MADE BEFORE ENACT-
2 MENT.—If, on or before the date of the enactment of this
3 Act, a producer receives all or any portion of the payment
4 authorized for fiscal year 2002 under a production flexi-
5 bility contract, the Secretary shall reduce the amount of
6 the fixed, decoupled payment otherwise due the producer
7 for that same fiscal year by the amount of the fiscal year
8 2002 payment previously received by the producer.

9 **SEC. 109. PAYMENT LIMITATIONS.**

10 Sections 1001 through 1001C of the Food Security
11 Act of 1985 (7 U.S.C. 1308 through 1308–3) shall apply
12 to fixed, decoupled payments and counter-cyclical pay-
13 ments. A producer eligible to receive a fixed, decoupled
14 payment or counter-cyclical payment satisfies the require-
15 ments of section 1001A(b) of such Act.

16 **SEC. 110. PERIOD OF EFFECTIVENESS.**

17 This subtitle shall be effective beginning with the
18 2002 crop year of each covered commodity through the
19 2011 crop year.

1 **Subtitle B—Marketing Assistance**
2 **Loans and Loan Deficiency Pay-**
3 **ments**

4 **SEC. 121. AVAILABILITY OF NONRECOURSE MARKETING AS-**
5 **SISTANCE LOANS FOR COVERED COMMOD-**
6 **ITIES.**

7 (a) NONRECOURSE LOANS AVAILABLE.—

8 (1) AVAILABILITY.—For each of the 2002
9 through 2011 crops of each covered commodity, the
10 Secretary shall make available to producers on a
11 farm nonrecourse marketing assistance loans for
12 covered commodities produced on the farm. The
13 loans shall be made under terms and conditions that
14 are prescribed by the Secretary and at the loan rate
15 established under section 122 for the covered com-
16 modity.

17 (2) INCLUSION OF EXTRA LONG STAPLE COT-
18 TON.—In this subtitle, the term “covered com-
19 modity” includes extra long staple cotton.

20 (b) ELIGIBLE PRODUCTION.—Any production of a
21 covered commodity on a farm shall be eligible for a mar-
22 keting assistance loan under subsection (a).

23 (c) TREATMENT OF CERTAIN COMMINGLED COM-
24 MODITIES.—In carrying out this subtitle, the Secretary
25 shall make loans to a producer that is otherwise eligible

1 to obtain a marketing assistance loan, but for the fact the
2 covered commodity owned by the producer is commingled
3 with covered commodities of other producers in facilities
4 unlicensed for the storage of agricultural commodities by
5 the Secretary or a State licensing authority, if the pro-
6 ducer obtaining the loan agrees to immediately redeem the
7 loan collateral in accordance with section 166 of the Fed-
8 eral Agriculture Improvement and Reform Act of 1996 (7
9 U.S.C. 7286).

10 (d) COMPLIANCE WITH CONSERVATION AND WET-
11 LANDS REQUIREMENTS.—As a condition of the receipt of
12 a marketing assistance loan under subsection (a), the pro-
13 ducer shall comply with applicable conservation require-
14 ments under subtitle B of title XII of the Food Security
15 Act of 1985 (16 U.S.C. 3811 et seq.) and applicable wet-
16 land protection requirements under subtitle C of title XII
17 of the Act (16 U.S.C. 3821 et seq.) during the term of
18 the loan.

19 (e) DEFINITION OF EXTRA LONG STAPLE COT-
20 TON.—In this subtitle, the term “extra long staple cotton”
21 means cotton that—

22 (1) is produced from pure strain varieties of the
23 Barbados species or any hybrid thereof, or other
24 similar types of extra long staple cotton, designated
25 by the Secretary, having characteristics needed for

1 various end uses for which United States upland cot-
 2 ton is not suitable and grown in irrigated cotton-
 3 growing regions of the United States designated by
 4 the Secretary or other areas designated by the Sec-
 5 retary as suitable for the production of the varieties
 6 or types; and

7 (2) is ginned on a roller-type gin or, if author-
 8 ized by the Secretary, ginned on another type gin for
 9 experimental purposes.

10 (e) TERMINATION OF SUPERSEDED LOAN AUTHOR-
 11 ITY.—Notwithstanding section 131 of the Federal Agri-
 12 culture Improvement and Reform Act of 1996 (7 U.S.C.
 13 7231), nonrecourse marketing assistance loans shall not
 14 be made for the 2002 crop of covered commodities under
 15 subtitle C of title I of such Act.

16 **SEC. 122. LOAN RATES FOR NONRECOURSE MARKETING AS-**
 17 **SISTANCE LOANS.**

18 (a) WHEAT.—

19 (1) LOAN RATE.—Subject to paragraph (2), the
 20 loan rate for a marketing assistance loan under sec-
 21 tion 121 for wheat shall be—

22 (A) not less than 85 percent of the simple
 23 average price received by producers of wheat, as
 24 determined by the Secretary, during the mar-
 25 keting years for the immediately preceding five

1 crops of wheat, excluding the year in which the
 2 average price was the highest and the year in
 3 which the average price was the lowest in the
 4 period; but

5 (B) not more than \$2.58 per bushel.

6 (2) STOCKS TO USE RATIO ADJUSTMENT.—If
 7 the Secretary estimates for any marketing year that
 8 the ratio of ending stocks of wheat to total use for
 9 the marketing year will be—

10 (A) equal to or greater than 30 percent,
 11 the Secretary may reduce the loan rate for
 12 wheat for the corresponding crop by an amount
 13 not to exceed 10 percent in any year;

14 (B) less than 30 percent but not less than
 15 15 percent, the Secretary may reduce the loan
 16 rate for wheat for the corresponding crop by an
 17 amount not to exceed 5 percent in any year; or

18 (C) less than 15 percent, the Secretary
 19 may not reduce the loan rate for wheat for the
 20 corresponding crop.

21 (b) FEED GRAINS.—

22 (1) LOAN RATE FOR CORN AND GRAIN SOR-
 23 GHUM.—Subject to paragraph (2), the loan rate for
 24 a marketing assistance loan under section 121 for
 25 corn and grain sorghum shall be—

1 (A) not less than 85 percent of the simple
2 average price received by producers of corn or
3 grain sorghum, respectively, as determined by
4 the Secretary, during the marketing years for
5 the immediately preceding five crops of the cov-
6 ered commodity, excluding the year in which
7 the average price was the highest and the year
8 in which the average price was the lowest in the
9 period; but

10 (B) not more than \$1.89 per bushel.

11 (2) STOCKS TO USE RATIO ADJUSTMENT.—If
12 the Secretary estimates for any marketing year that
13 the ratio of ending stocks of corn or grain sorghum
14 to total use for the marketing year will be—

15 (A) equal to or greater than 25 percent,
16 the Secretary may reduce the loan rate for the
17 covered commodity for the corresponding crop
18 by an amount not to exceed 10 percent in any
19 year;

20 (B) less than 25 percent but not less than
21 12.5 percent, the Secretary may reduce the loan
22 rate for the covered commodity for the cor-
23 responding crop by an amount not to exceed 5
24 percent in any year; or

1 (C) less than 12.5 percent, the Secretary
 2 may not reduce the loan rate for the covered
 3 commodity for the corresponding crop.

4 (3) OTHER FEED GRAINS.—The loan rate for a
 5 marketing assistance loan under section 121 for bar-
 6 ley and oats shall be—

7 (A) established at such level as the Sec-
 8 retary determines is fair and reasonable in rela-
 9 tion to the rate that loans are made available
 10 for corn, taking into consideration the feeding
 11 value of the commodity in relation to corn, but

12 (B) not more than—

13 (i) \$1.65 per bushel for barley; and

14 (ii) \$1.21 per bushel for oats.

15 (c) UPLAND COTTON.—

16 (1) LOAN RATE.—Subject to paragraph (2), the
 17 loan rate for a marketing assistance loan under sec-
 18 tion 121 for upland cotton shall be established by
 19 the Secretary at such loan rate, per pound, as will
 20 reflect for the base quality of upland cotton, as de-
 21 termined by the Secretary, at average locations in
 22 the United States a rate that is not less than the
 23 smaller of—

24 (A) 85 percent of the average price
 25 (weighted by market and month) of the base

1 quality of cotton as quoted in the designated
2 United States spot markets during three years
3 of the five-year period ending July 31 of the
4 year preceding the year in which the crop is
5 planted, excluding the year in which the average
6 price was the highest and the year in which the
7 average price was the lowest in the period; or

8 (B) 90 percent of the average, for the 15-
9 week period beginning July 1 of the year pre-
10 ceding the year in which the crop is planted, of
11 the five lowest-priced growths of the growths
12 quoted for Middling $1\frac{3}{32}$ -inch cotton C.I.F.
13 Northern Europe (adjusted downward by the
14 average difference during the period April 15
15 through October 15 of the year preceding the
16 year in which the crop is planted between the
17 average Northern European price quotation of
18 such quality of cotton and the market
19 quotations in the designated United States spot
20 markets for the base quality of upland cotton),
21 as determined by the Secretary.

22 (2) LIMITATIONS.—The loan rate for a mar-
23 keting assistance loan for upland cotton shall not be
24 less than \$0.50 per pound or more than \$0.5192 per
25 pound.

1 (d) EXTRA LONG STAPLE COTTON.—The loan rate
2 for a marketing assistance loan under section 121 for
3 extra long staple cotton shall be—

4 (1) not less than 85 percent of the simple aver-
5 age price received by producers of extra long staple
6 cotton, as determined by the Secretary, during three
7 years of the five-year period ending July 31 of the
8 year preceding the year in which the crop is planted,
9 excluding the year in which the average price was
10 the highest and the year in which the average price
11 was the lowest in the period; but

12 (2) not more than \$0.7965 per pound.

13 (e) RICE.—The loan rate for a marketing assistance
14 loan under section 121 for rice shall be \$6.50 per hun-
15 dredweight.

16 (f) OILSEEDS.—

17 (1) SOYBEANS.—The loan rate for a marketing
18 assistance loan under section 121 for soybeans shall
19 be—

20 (A) not less than 85 percent of the simple
21 average price received by producers of soybeans,
22 as determined by the Secretary, during the
23 marketing years for the immediately preceding
24 five crops of soybeans, excluding the year in
25 which the average price was the highest and the

1 year in which the average price was the lowest
2 in the period; but

3 (B) not more than \$4.92 per bushel.

4 (2) OTHER OILSEEDS.—The loan rate for a
5 marketing assistance loan under section 121 for
6 other oilseeds shall be—

7 (A) not less than 85 percent of the simple
8 average price received by producers of the other
9 oilseed, as determined by the Secretary, during
10 the marketing years for the immediately pre-
11 ceding five crops of the other oilseed, excluding
12 the year in which the average price was the
13 highest and the year in which the average price
14 was the lowest in the period; but

15 (B) not more than \$0.087 per pound.

16 **SEC. 123. TERM OF LOANS.**

17 (a) TERM OF LOAN.—In the case of each covered
18 commodity (other than upland cotton or extra long staple
19 cotton), a marketing assistance loan under section 121
20 shall have a term of nine months beginning on the first
21 day of the first month after the month in which the loan
22 is made.

23 (b) SPECIAL RULE FOR COTTON.—A marketing as-
24 sistance loan for upland cotton or extra long staple cotton

1 shall have a term of 10 months beginning on the first day
2 of the month in which the loan is made.

3 (c) EXTENSIONS PROHIBITED.—The Secretary may
4 not extend the term of a marketing assistance loan for
5 any covered commodity.

6 **SEC. 124. REPAYMENT OF LOANS.**

7 (a) REPAYMENT RATES FOR WHEAT, FEED GRAINS,
8 AND OILSEEDS.—The Secretary shall permit a producer
9 to repay a marketing assistance loan under section 121
10 for wheat, corn, grain sorghum, barley, oats, and oilseeds
11 at a rate that is the lesser of—

12 (1) the loan rate established for the commodity
13 under section 122, plus interest (as determined by
14 the Secretary); or

15 (2) a rate that the Secretary determines will—

16 (A) minimize potential loan forfeitures;

17 (B) minimize the accumulation of stocks of
18 the commodity by the Federal Government;

19 (C) minimize the cost incurred by the Fed-
20 eral Government in storing the commodity; and

21 (D) allow the commodity produced in the
22 United States to be marketed freely and com-
23 petitively, both domestically and internationally.

24 (b) REPAYMENT RATES FOR UPLAND COTTON AND
25 RICE.—The Secretary shall permit producers to repay a

1 marketing assistance loan under section 121 for upland
2 cotton and rice at a rate that is the lesser of—

3 (1) the loan rate established for the commodity
4 under section 122, plus interest (as determined by
5 the Secretary); or

6 (2) the prevailing world market price for the
7 commodity (adjusted to United States quality and
8 location), as determined by the Secretary.

9 (c) REPAYMENT RATES FOR EXTRA LONG STAPLE
10 COTTON.—Repayment of a marketing assistance loan for
11 extra long staple cotton shall be at the loan rate estab-
12 lished for the commodity under section 122, plus interest
13 (as determined by the Secretary).

14 (d) PREVAILING WORLD MARKET PRICE.—For pur-
15 poses of this section and section 127, the Secretary shall
16 prescribe by regulation—

17 (1) a formula to determine the prevailing world
18 market price for each covered commodity, adjusted
19 to United States quality and location; and

20 (2) a mechanism by which the Secretary shall
21 announce periodically the prevailing world market
22 price for each covered commodity.

23 (e) ADJUSTMENT OF PREVAILING WORLD MARKET
24 PRICE FOR UPLAND COTTON.—

1 (1) IN GENERAL.—During the period beginning
2 on the date of the enactment of this Act and ending
3 July 31, 2012, the prevailing world market price for
4 upland cotton (adjusted to United States quality and
5 location) established under subsection (d) shall be
6 further adjusted if—

7 (A) the adjusted prevailing world market
8 price is less than 115 percent of the loan rate
9 for upland cotton established under section 122,
10 as determined by the Secretary; and

11 (B) the Friday through Thursday average
12 price quotation for the lowest-priced United
13 States growth as quoted for Middling (M) $1\frac{3}{32}$ -
14 inch cotton delivered C.I.F. Northern Europe is
15 greater than the Friday through Thursday av-
16 erage price of the 5 lowest-priced growths of
17 upland cotton, as quoted for Middling (M)
18 $1\frac{3}{32}$ -inch cotton, delivered C.I.F. Northern Eu-
19 rope (referred to in this section as the “North-
20 ern Europe price”).

21 (2) FURTHER ADJUSTMENT.—Except as pro-
22 vided in paragraph (3), the adjusted prevailing world
23 market price for upland cotton shall be further ad-
24 justed on the basis of some or all of the following
25 data, as available:

1 (A) The United States share of world ex-
2 ports.

3 (B) The current level of cotton export sales
4 and cotton export shipments.

5 (C) Other data determined by the Sec-
6 retary to be relevant in establishing an accurate
7 prevailing world market price for upland cotton
8 (adjusted to United States quality and loca-
9 tion).

10 (3) LIMITATION ON FURTHER ADJUSTMENT.—

11 The adjustment under paragraph (2) may not ex-
12 ceed the difference between—

13 (A) the Friday through Thursday average
14 price for the lowest-priced United States growth
15 as quoted for Middling 1³/₃₂-inch cotton deliv-
16 ered C.I.F. Northern Europe; and

17 (B) the Northern Europe price.

18 **SEC. 125. LOAN DEFICIENCY PAYMENTS.**

19 (a) AVAILABILITY OF LOAN DEFICIENCY PAY-
20 MENTS.—Except as provided in subsection (d), the Sec-
21 retary may make loan deficiency payments available to
22 producers who, although eligible to obtain a marketing as-
23 sistance loan under section 121 with respect to a covered
24 commodity, agree to forgo obtaining the loan for the com-
25 modity in return for payments under this section.

1 (b) COMPUTATION.—A loan deficiency payment
2 under this section shall be computed by multiplying—

3 (1) the loan payment rate determined under
4 subsection (c) for the covered commodity; by

5 (2) the quantity of the covered commodity pro-
6 duced by the eligible producers, excluding any quan-
7 tity for which the producers obtain a loan under sec-
8 tion 121.

9 (c) LOAN PAYMENT RATE.—For purposes of this sec-
10 tion, the loan payment rate shall be the amount by
11 which—

12 (1) the loan rate established under section 122
13 for the covered commodity; exceeds

14 (2) the rate at which a loan for the commodity
15 may be repaid under section 124.

16 (d) EXCEPTION FOR EXTRA LONG STAPLE COT-
17 TON.—This section shall not apply with respect to extra
18 long staple cotton.

19 (e) TIME FOR PAYMENT.—The Secretary shall make
20 a payment under this section to a producer with respect
21 to a quantity of a covered commodity as of the earlier of
22 the following:

23 (1) The date on which the producer marketed
24 or otherwise lost beneficial interest in the com-
25 modity, as determined by the Secretary.

1 (2) The date the producer requests the pay-
2 ment.

3 **SEC. 126. PAYMENTS IN LIEU OF LOAN DEFICIENCY PAY-**
4 **MENTS FOR GRAZED ACREAGE.**

5 (a) ELIGIBLE PRODUCERS.—Effective for the 2002
6 through 2011 crop years, in the case of a producer that
7 would be eligible for a loan deficiency payment under sec-
8 tion 125 for wheat, barley, or oats, but that elects to use
9 acreage planted to the wheat, barley, or oats for the graz-
10 ing of livestock, the Secretary shall make a payment to
11 the producer under this section if the producer enters into
12 an agreement with the Secretary to forgo any other har-
13 vesting of the wheat, barley, or oats on that acreage.

14 (b) PAYMENT AMOUNT.—The amount of a payment
15 made to a producer on a farm under this section shall
16 be equal to the amount determined by multiplying—

17 (1) the loan deficiency payment rate determined
18 under section 125(c) in effect, as of the date of the
19 agreement, for the county in which the farm is lo-
20 cated; by

21 (2) the payment quantity determined by
22 multiplying—

23 (A) the quantity of the grazed acreage on
24 the farm with respect to which the producer

1 elects to forgo harvesting of wheat, barley, or
2 oats; and

3 (B) the payment yield for that covered
4 commodity on the farm.

5 (c) TIME, MANNER, AND AVAILABILITY OF PAY-
6 MENT.—

7 (1) TIME AND MANNER.—A payment under this
8 section shall be made at the same time and in the
9 same manner as loan deficiency payments are made
10 under section 125.

11 (2) AVAILABILITY.—The Secretary shall estab-
12 lish an availability period for the payment author-
13 ized by this section that is consistent with the avail-
14 ability period for wheat, barley, and oats established
15 by the Secretary for marketing assistance loans au-
16 thorized by this subtitle.

17 (d) PROHIBITION ON CROP INSURANCE OR NON-
18 INSURED CROP ASSISTANCE.—A 2002 through 2011 crop
19 of wheat, barley, or oats planted on acreage that a pro-
20 ducer elects, in the agreement required by subsection (a),
21 to use for the grazing of livestock in lieu of any other har-
22 vesting of the crop shall not be eligible for insurance under
23 the Federal Crop Insurance Act (7 U.S.C. 1501 et seq.)
24 or noninsured crop assistance under section 196 of the

1 Federal Agriculture Improvement and Reform Act of 1996
2 (7 U.S.C. 7333).

3 **SEC. 127. SPECIAL MARKETING LOAN PROVISIONS FOR UP-**
4 **LAND COTTON.**

5 (a) COTTON USER MARKETING CERTIFICATES.—

6 (1) ISSUANCE.—During the period beginning on
7 the date of the enactment of this Act and ending
8 July 31, 2012, the Secretary shall issue marketing
9 certificates or cash payments, at the option of the
10 recipient, to domestic users and exporters for docu-
11 mented purchases by domestic users and sales for
12 export by exporters made in the week following a
13 consecutive four-week period in which—

14 (A) the Friday through Thursday average
15 price quotation for the lowest-priced United
16 States growth, as quoted for Middling (M)
17 1³/₃₂-inch cotton, delivered C.I.F. Northern Eu-
18 rope exceeds the Northern Europe price by
19 more than 1.25 cents per pound; and

20 (B) the prevailing world market price for
21 upland cotton (adjusted to United States qual-
22 ity and location) does not exceed 134 percent of
23 the loan rate for upland cotton established
24 under section 122.

1 (2) VALUE OF CERTIFICATES OR PAYMENTS.—

2 The value of the marketing certificates or cash pay-
3 ments shall be based on the amount of the difference
4 (reduced by 1.25 cents per pound) in the prices dur-
5 ing the fourth week of the consecutive four-week pe-
6 riod multiplied by the quantity of upland cotton in-
7 cluded in the documented sales.

8 (3) ADMINISTRATION OF MARKETING CERTIFI-
9 CATES.—

10 (A) REDEMPTION, MARKETING, OR EX-
11 CHANGE.—The Secretary shall establish proce-
12 dures for redeeming marketing certificates for
13 cash or marketing or exchange of the certifi-
14 cates for agricultural commodities owned by the
15 Commodity Credit Corporation or pledged to
16 the Commodity Credit Corporation as collateral
17 for a loan in such manner, and at such price
18 levels, as the Secretary determines will best ef-
19 fectuate the purposes of cotton user marketing
20 certificates, including enhancing the competi-
21 tiveness and marketability of United States cot-
22 ton. Any price restrictions that would otherwise
23 apply to the disposition of agricultural commod-
24 ities by the Commodity Credit Corporation shall

1 not apply to the redemption of certificates
2 under this subsection.

3 (B) DESIGNATION OF COMMODITIES AND
4 PRODUCTS.—To the extent practicable, the Sec-
5 retary shall permit owners of certificates to des-
6 ignate the commodities and products, including
7 storage sites, the owners would prefer to receive
8 in exchange for certificates.

9 (C) TRANSFERS.—Marketing certificates
10 issued to domestic users and exporters of up-
11 land cotton may be transferred to other persons
12 in accordance with regulations issued by the
13 Secretary.

14 (b) SPECIAL IMPORT QUOTA.—

15 (1) ESTABLISHMENT.—

16 (A) IN GENERAL.—The President shall
17 carry out an import quota program during the
18 period beginning on the date of the enactment
19 of this Act and ending July 31, 2012, as pro-
20 vided in this subsection.

21 (B) PROGRAM REQUIREMENTS.—Except as
22 provided in subparagraph (C), whenever the
23 Secretary determines and announces that for
24 any consecutive four-week period, the Friday
25 through Thursday average price quotation for

1 the lowest-priced United States growth, as
2 quoted for Middling (M) 1³/₃₂-inch cotton, deliv-
3 ered C.I.F. Northern Europe, adjusted for the
4 value of any certificate issued under subsection
5 (a), exceeds the Northern Europe price by more
6 than 1.25 cents per pound, there shall imme-
7 diately be in effect a special import quota.

8 (C) TIGHT DOMESTIC SUPPLY.—During
9 any month for which the Secretary estimates
10 the season-ending United States upland cotton
11 stocks-to-use ratio, as determined under sub-
12 paragraph (D), to be below 16 percent, the Sec-
13 retary, in making the determination under sub-
14 paragraph (B), shall not adjust the Friday
15 through Thursday average price quotation for
16 the lowest-priced United States growth, as
17 quoted for Middling (M) 1³/₃₂-inch cotton, deliv-
18 ered C.I.F. Northern Europe, for the value of
19 any certificates issued under subsection (a).

20 (D) SEASON-ENDING UNITED STATES
21 STOCKS-TO-USE RATIO.—For the purposes of
22 making estimates under subparagraph (C), the
23 Secretary shall, on a monthly basis, estimate
24 and report the season-ending United States up-
25 land cotton stocks-to-use ratio, excluding pro-

1 jected raw cotton imports but including the
2 quantity of raw cotton that has been imported
3 into the United States during the marketing
4 year.

5 (2) QUANTITY.—The quota shall be equal to
6 one week’s consumption of upland cotton by domes-
7 tic mills at the seasonally adjusted average rate of
8 the most recent three months for which data are
9 available.

10 (3) APPLICATION.—The quota shall apply to
11 upland cotton purchased not later than 90 days
12 after the date of the Secretary’s announcement
13 under paragraph (1) and entered into the United
14 States not later than 180 days after the date.

15 (4) OVERLAP.—A special quota period may be
16 established that overlaps any existing quota period if
17 required by paragraph (1), except that a special
18 quota period may not be established under this sub-
19 section if a quota period has been established under
20 subsection (c).

21 (5) PREFERENTIAL TARIFF TREATMENT.—The
22 quantity under a special import quota shall be con-
23 sidered to be an in-quota quantity for purposes of—

24 (A) section 213(d) of the Caribbean Basin
25 Economic Recovery Act (19 U.S.C. 2703(d));

1 (B) section 204 of the Andean Trade Pref-
2 erence Act (19 U.S.C. 3203);

3 (C) section 503(d) of the Trade Act of
4 1974 (19 U.S.C. 2463(d)); and

5 (D) General Note 3(a)(iv) to the Har-
6 monized Tariff Schedule.

7 (6) DEFINITION.—In this subsection, the term
8 “special import quota” means a quantity of imports
9 that is not subject to the over-quota tariff rate of a
10 tariff-rate quota.

11 (7) LIMITATION.—The quantity of cotton en-
12 tered into the United States during any marketing
13 year under the special import quota established
14 under this subsection may not exceed the equivalent
15 of five week’s consumption of upland cotton by do-
16 mestic mills at the seasonally adjusted average rate
17 of the three months immediately preceding the first
18 special import quota established in any marketing
19 year.

20 (c) LIMITED GLOBAL IMPORT QUOTA FOR UPLAND
21 COTTON.—

22 (1) IN GENERAL.—The President shall carry
23 out an import quota program that provides that
24 whenever the Secretary determines and announces
25 that the average price of the base quality of upland

1 cotton, as determined by the Secretary, in the des-
2 ignated spot markets for a month exceeded 130 per-
3 cent of the average price of such quality of cotton
4 in the markets for the preceding 36 months, not-
5 withstanding any other provision of law, there shall
6 immediately be in effect a limited global import
7 quota subject to the following conditions:

8 (A) QUANTITY.—The quantity of the quota
9 shall be equal to 21 days of domestic mill con-
10 sumption of upland cotton at the seasonally ad-
11 justed average rate of the most recent three
12 months for which data are available.

13 (B) QUANTITY IF PRIOR QUOTA.—If a
14 quota has been established under this sub-
15 section during the preceding 12 months, the
16 quantity of the quota next established under
17 this subsection shall be the smaller of 21 days
18 of domestic mill consumption calculated under
19 subparagraph (A) or the quantity required to
20 increase the supply to 130 percent of the de-
21 mand.

22 (C) PREFERENTIAL TARIFF TREAT-
23 MENT.—The quantity under a limited global
24 import quota shall be considered to be an in-
25 quota quantity for purposes of—

1 (i) section 213(d) of the Caribbean
2 Basin Economic Recovery Act (19 U.S.C.
3 2703(d));

4 (ii) section 204 of the Andean Trade
5 Preference Act (19 U.S.C. 3203);

6 (iii) section 503(d) of the Trade Act
7 of 1974 (19 U.S.C. 2463(d)); and

8 (iv) General Note 3(a)(iv) to the Har-
9 monized Tariff Schedule.

10 (D) DEFINITIONS.—In this subsection:

11 (i) SUPPLY.—The term “supply”
12 means, using the latest official data of the
13 Bureau of the Census, the Department of
14 Agriculture, and the Department of the
15 Treasury—

16 (I) the carry-over of upland cot-
17 ton at the beginning of the marketing
18 year (adjusted to 480-pound bales) in
19 which the quota is established;

20 (II) production of the current
21 crop; and

22 (III) imports to the latest date
23 available during the marketing year.

24 (ii) DEMAND.—The term “demand”
25 means—

1 (I) the average seasonally ad-
2 justed annual rate of domestic mill
3 consumption during the most recent
4 three months for which data are avail-
5 able; and

6 (II) the larger of—

7 (aa) average exports of up-
8 land cotton during the preceding
9 six marketing years; or

10 (bb) cumulative exports of
11 upland cotton plus outstanding
12 export sales for the marketing
13 year in which the quota is estab-
14 lished.

15 (iii) LIMITED GLOBAL IMPORT
16 QUOTA.—The term “limited global import
17 quota” means a quantity of imports that is
18 not subject to the over-quota tariff rate of
19 a tariff-rate quota.

20 (E) QUOTA ENTRY PERIOD.—When a
21 quota is established under this subsection, cot-
22 ton may be entered under the quota during the
23 90-day period beginning on the date the quota
24 is established by the Secretary.

1 (2) NO OVERLAP.—Notwithstanding paragraph
2 (1), a quota period may not be established that over-
3 laps an existing quota period or a special quota pe-
4 riod established under subsection (b).

5 **SEC. 128. SPECIAL COMPETITIVE PROVISIONS FOR EXTRA**
6 **LONG STAPLE COTTON.**

7 (a) COMPETITIVENESS PROGRAM.—Notwithstanding
8 any other provision of law, during the period beginning
9 on the date of the enactment of this Act and ending on
10 July 31, 2012, the Secretary shall carry out a program
11 to maintain and expand the domestic use of extra long
12 staple cotton produced in the United States, to increase
13 exports of extra long staple cotton produced in the United
14 States, and to ensure that extra long staple cotton pro-
15 duced in the United States remains competitive in world
16 markets.

17 (b) PAYMENTS UNDER PROGRAM; TRIGGER.—Under
18 the program, the Secretary shall make payments available
19 under this section whenever—

20 (1) for a consecutive four-week period, the
21 world market price for the lowest priced competing
22 growth of extra long staple cotton (adjusted to
23 United States quality and location and for other fac-
24 tors affecting the competitiveness of such cotton), as
25 determined by the Secretary, is below the prevailing

1 United States price for a competing growth of extra
2 long staple cotton; and

3 (2) the lowest priced competing growth of extra
4 long staple cotton (adjusted to United States quality
5 and location and for other factors affecting the com-
6 petitiveness of such cotton), as determined by the
7 Secretary, is less than 134 percent of the loan rate
8 for extra long staple cotton.

9 (c) ELIGIBLE RECIPIENTS.—The Secretary shall
10 make payments available under this section to domestic
11 users of extra long staple cotton produced in the United
12 States and exporters of extra long staple cotton produced
13 in the United States who enter into an agreement with
14 the Commodity Credit Corporation to participate in the
15 program under this section.

16 (d) PAYMENT AMOUNT.—Payments under this sec-
17 tion shall be based on the amount of the difference in the
18 prices referred to in subsection (b)(1) during the fourth
19 week of the consecutive four-week period multiplied by the
20 amount of documented purchases by domestic users and
21 sales for export by exporters made in the week following
22 such a consecutive four-week period.

23 (e) FORM OF PAYMENT.—Payments under this sec-
24 tion shall be made through the issuance of cash or mar-

1 keting certificates, at the option of eligible recipients of
 2 the payments.

3 **SEC. 129. AVAILABILITY OF RECOURSE LOANS FOR HIGH**
 4 **MOISTURE FEED GRAINS AND SEED COTTON**
 5 **AND OTHER FIBERS.**

6 (a) HIGH MOISTURE FEED GRAINS.—

7 (1) RECOURSE LOANS AVAILABLE.—For each of
 8 the 2002 through 2011 crops of corn and grain sor-
 9 ghum, the Secretary shall make available recourse
 10 loans, as determined by the Secretary, to producers
 11 on a farm who—

12 (A) normally harvest all or a portion of
 13 their crop of corn or grain sorghum in a high
 14 moisture state;

15 (B) present—

16 (i) certified scale tickets from an in-
 17 spected, certified commercial scale, includ-
 18 ing a licensed warehouse, feedlot, feed mill,
 19 distillery, or other similar entity approved
 20 by the Secretary, pursuant to regulations
 21 issued by the Secretary; or

22 (ii) field or other physical measure-
 23 ments of the standing or stored crop in re-
 24 gions of the United States, as determined
 25 by the Secretary, that do not have certified

1 commercial scales from which certified
2 scale tickets may be obtained within rea-
3 sonable proximity of harvest operation;

4 (C) certify that they were the owners of
5 the feed grain at the time of delivery to, and
6 that the quantity to be placed under loan under
7 this subsection was in fact harvested on the
8 farm and delivered to, a feedlot, feed mill, or
9 commercial or on-farm high-moisture storage
10 facility, or to a facility maintained by the users
11 of corn and grain sorghum in a high moisture
12 state; and

13 (D) comply with deadlines established by
14 the Secretary for harvesting the corn or grain
15 sorghum and submit applications for loans
16 under this subsection within deadlines estab-
17 lished by the Secretary.

18 (2) ELIGIBILITY OF ACQUIRED FEED GRAINS.—

19 A loan under this subsection shall be made on a
20 quantity of corn or grain sorghum of the same crop
21 acquired by the producer equivalent to a quantity
22 determined by multiplying—

23 (A) the acreage of the corn or grain sor-
24 ghum in a high moisture state harvested on the
25 producer's farm; by

1 (B) the lower of the farm program pay-
2 ment yield or the actual yield on a field, as de-
3 termined by the Secretary, that is similar to the
4 field from which the corn or grain sorghum was
5 obtained.

6 (3) HIGH MOISTURE STATE DEFINED.—In this
7 subsection, the term “high moisture state” means
8 corn or grain sorghum having a moisture content in
9 excess of Commodity Credit Corporation standards
10 for marketing assistance loans made by the Sec-
11 retary under section 121.

12 (b) RECOURSE LOANS AVAILABLE FOR SEED COT-
13 TON.—For each of the 2002 through 2011 crops of upland
14 cotton and extra long staple cotton, the Secretary shall
15 make available recourse seed cotton loans, as determined
16 by the Secretary, on any production.

17 (c) REPAYMENT RATES.—Repayment of a recourse
18 loan made under this section shall be at the loan rate es-
19 tablished for the commodity by the Secretary, plus interest
20 (as determined by the Secretary).

21 (d) TERMINATION OF SUPERSEDED LOAN AUTHOR-
22 ITY.—Notwithstanding section 137 of the Federal Agri-
23 culture Improvement and Reform Act of 1996 (7 U.S.C.
24 7237), recourse loans shall not be made for the 2002 crop

1 of corn, grain sorghum, and seed cotton under such sec-
2 tion.

3 **SEC. 130. AVAILABILITY OF NONRECOURSE MARKETING AS-**
4 **SISTANCE LOANS FOR WOOL AND MOHAIR.**

5 (a) NONRECOURSE LOANS AVAILABLE.—During the
6 2002 through 2011 marketing years for wool and mohair,
7 the Secretary shall make available to producers on a farm
8 nonrecourse marketing assistance loans for wool and mo-
9 hair produced on the farm during that marketing year.

10 (b) LOAN RATE.—The loan rate for a loan under sub-
11 section (a) shall be not more than—

- 12 (1) \$1.00 per pound for graded wool;
13 (2) \$0.40 per pound for nongraded wool; and
14 (3) \$4.20 per pound for mohair.

15 (c) TERM OF LOAN.—A loan under subsection (a)
16 shall have a term of one year beginning on the first day
17 of the first month after the month in which the loan is
18 made.

19 (d) REPAYMENT RATES.—The Secretary shall permit
20 a producer to repay a marketing assistance loan under
21 subsection (a) for wool or mohair at a rate that is the
22 lesser of—

- 23 (1) the loan rate established for the commodity
24 under subsection (b), plus interest (as determined by
25 the Secretary); or

1 (2) a rate that the Secretary determines will—

2 (A) minimize potential loan forfeitures;

3 (B) minimize the accumulation of stocks of
4 the commodity by the Federal Government;

5 (C) minimize the cost incurred by the Fed-
6 eral Government in storing the commodity; and

7 (D) allow the commodity produced in the
8 United States to be marketed freely and com-
9 petitively, both domestically and internationally.

10 (e) LOAN DEFICIENCY PAYMENTS.—

11 (1) AVAILABILITY.—The Secretary may make
12 loan deficiency payments available to producers that,
13 although eligible to obtain a marketing assistance
14 loan under this section, agree to forgo obtaining the
15 loan in return for payments under this section.

16 (2) COMPUTATION.—A loan deficiency payment
17 under this subsection shall be computed by
18 multiplying—

19 (A) the loan payment rate in effect under
20 paragraph (3) for the commodity; by

21 (B) the quantity of the commodity pro-
22 duced by the eligible producers, excluding any
23 quantity for which the producers obtain a loan
24 under this subsection.

1 (3) LOAN PAYMENT RATE.—For purposes of
2 this subsection, the loan payment rate for wool or
3 mohair shall be the amount by which—

4 (A) the loan rate in effect for the com-
5 modity under subsection (b); exceeds

6 (B) the rate at which a loan for the com-
7 modity may be repaid under subsection (d).

8 (4) TIME FOR PAYMENT.—The Secretary shall
9 make a payment under this subsection to a producer
10 with respect to a quantity of a wool or mohair as of
11 the earlier of the following:

12 (A) The date on which the producer mar-
13 keted or otherwise lost beneficial interest in the
14 wool or mohair, as determined by the Secretary.

15 (B) The date the producer requests the
16 payment.

17 (f) LIMITATIONS.—The marketing assistance loan
18 gains and loan deficiency payments that a person may re-
19 ceive for wool and mohair under this section shall be sub-
20 ject to a separate payment limitation, but in the same dol-
21 lar amount, as the payment limitation that applies to mar-
22 keting assistance loans and loan deficiency payments re-
23 ceived by producers of other agricultural commodities in
24 the same marketing year.

1 **SEC. 131. AVAILABILITY OF NONRECOURSE MARKETING AS-**
2 **SISTANCE LOANS FOR HONEY.**

3 (a) NONRECOURSE LOANS AVAILABLE.—During the
4 2002 through 2011 crop years for honey, the Secretary
5 shall make available to producers on a farm nonrecourse
6 marketing assistance loans for honey produced on the
7 farm during that crop year.

8 (b) LOAN RATE.—The loan rate for a marketing as-
9 sistance loan for honey under subsection (a) shall be equal
10 to \$0.60 cents per pound.

11 (c) TERM OF LOAN.—A marketing assistance loan
12 under subsection (a) shall have a term of one year begin-
13 ning on the first day of the first month after the month
14 in which the loan is made.

15 (d) REPAYMENT RATES.—The Secretary shall permit
16 a producer to repay a marketing assistance loan for honey
17 under subsection (a) at a rate that is the lesser of—

18 (1) the loan rate for honey, plus interest (as de-
19 termined by the Secretary); or

20 (2) the prevailing domestic market price for
21 honey, as determined by the Secretary.

22 (e) LOAN DEFICIENCY PAYMENTS.—

23 (1) AVAILABILITY.—The Secretary may make
24 loan deficiency payments available to any producer
25 of honey that, although eligible to obtain a mar-
26 keting assistance loan under subsection (a), agrees

1 to forgo obtaining the loan in return for a payment
2 under this subsection.

3 (2) COMPUTATION.—A loan deficiency payment
4 under this subsection shall be determined by
5 multiplying—

6 (A) the loan payment rate determined
7 under paragraph (3); by

8 (B) the quantity of honey that the pro-
9 ducer is eligible to place under loan, but for
10 which the producer forgoes obtaining the loan
11 in return for a payment under this subsection.

12 (3) LOAN PAYMENT RATE.—For the purposes
13 of this subsection, the loan payment rate shall be the
14 amount by which—

15 (A) the loan rate established under sub-
16 section (b); exceeds

17 (B) the rate at which a loan may be repaid
18 under subsection (d).

19 (4) TIME FOR PAYMENT.—The Secretary shall
20 make a payment under this subsection to a producer
21 with respect to a quantity of a honey as of the ear-
22 lier of the following:

23 (A) The date on which the producer mar-
24 keted or otherwise lost beneficial interest in the
25 honey, as determined by the Secretary.

1 (B) The date the producer requests the
2 payment.

3 (f) LIMITATIONS.—The marketing assistance loan
4 gains and loan deficiency payments that a person may re-
5 ceive for a crop of honey under this section shall be subject
6 to a separate payment limitation, but in the same dollar
7 amount, as the payment limitation that applies to mar-
8 keting assistance loans and loan deficiency payments re-
9 ceived by producers of other agricultural commodities in
10 the same crop year.

11 (g) PREVENTION OF FORFEITURES.—The Secretary
12 shall carry out this section in such a manner as to mini-
13 mize forfeitures of honey marketing assistance loans.

14 **Subtitle C—Other Commodities**

15 **CHAPTER 1—DAIRY**

16 **SEC. 141. MILK PRICE SUPPORT PROGRAM.**

17 (a) SUPPORT ACTIVITIES.—During the period begin-
18 ning on January 1, 2002, and ending on December 31,
19 2011, the Secretary of Agriculture shall support the price
20 of milk produced in the 48 contiguous States through the
21 purchase of cheese, butter, and nonfat dry milk produced
22 from the milk.

23 (b) RATE.—During the period specified in subsection
24 (a), the price of milk shall be supported at a rate equal

1 to \$9.90 per hundredweight for milk containing 3.67 per-
2 cent butterfat.

3 (c) PURCHASE PRICES.—The support purchase
4 prices under this section for each of the products of milk
5 (butter, cheese, and nonfat dry milk) announced by the
6 Secretary shall be the same for all of that product sold
7 by persons offering to sell the product to the Secretary.
8 The purchase prices shall be sufficient to enable plants
9 of average efficiency to pay producers, on average, a price
10 that is not less than the rate of price support for milk
11 in effect under subsection (b).

12 (d) SPECIAL RULE FOR BUTTER AND NONFAT DRY
13 MILK PURCHASE PRICES.—

14 (1) ALLOCATION OF PURCHASE PRICES.—The
15 Secretary may allocate the rate of price support be-
16 tween the purchase prices for nonfat dry milk and
17 butter in a manner that will result in the lowest level
18 of expenditures by the Commodity Credit Corpora-
19 tion or achieve such other objectives as the Secretary
20 considers appropriate. Not later than 10 days after
21 making or changing an allocation, the Secretary
22 shall notify the Committee on Agriculture of the
23 House of Representatives and the Committee on Ag-
24 riculture, Nutrition, and Forestry of the Senate of
25 the allocation. Section 553 of title 5, United States

1 Code, shall not apply with respect to the implemen-
 2 tation of this section.

3 (2) TIMING OF PURCHASE PRICE ADJUST-
 4 MENTS.—The Secretary may make any such adjust-
 5 ments in the purchase prices for nonfat dry milk
 6 and butter the Secretary considers to be necessary
 7 not more than twice in each calendar year.

8 (e) COMMODITY CREDIT CORPORATION.—The Sec-
 9 retary shall carry out the program authorized by this sec-
 10 tion through the Commodity Credit Corporation.

11 **SEC. 142. REPEAL OF RECOURSE LOAN PROGRAM FOR**
 12 **PROCESSORS.**

13 Section 142 of the Federal Agriculture Improvement
 14 and Reform Act of 1996 (7 U.S.C. 7252) is repealed.

15 **SEC. 143. DAIRY EXPORT INCENTIVE PROGRAM.**

16 Section 153(a) of the Food Security Act of 1985 (15
 17 U.S.C. 713a–14(a)) is amended by striking “2002” and
 18 inserting “2011”.

19 **SEC. 144. FLUID MILK PROMOTION.**

20 (a) DEFINITION OF FLUID MILK PRODUCT.—Section
 21 1999C of the Fluid Milk Promotion Act of 1990 (7 U.S.C.
 22 6402) is amended by striking paragraph (3) and inserting
 23 the following new paragraph:

24 “(3) FLUID MILK PRODUCT.—The term ‘fluid
 25 milk product’ has the meaning given such term—

1 “(A) in section 1000.15 of title 7, Code of
2 Federal Regulations, subject to such amend-
3 ments as may be made from time to time; or

4 “(B) in any successor regulation providing
5 a definition of such term that is promulgated
6 pursuant to the Agricultural Adjustment Act (7
7 U.S.C. 601 et seq.), reenacted with amend-
8 ments by the Agricultural Marketing Agreement
9 Act of 1937.”.

10 (b) DEFINITION OF FLUID MILK PROCESSOR.—Sec-
11 tion 1999C(4) of the Fluid Milk Promotion Act of 1990
12 (7 U.S.C. 6402(4)) is amended by striking “500,000” and
13 inserting “3,000,000”.

14 (c) ELIMINATION OF ORDER TERMINATION DATE.—
15 Section 1999O of the Fluid Milk Promotion Act of 1990
16 (7 U.S.C. 6414) is amended—

17 (1) by striking subsection (a); and

18 (2) by redesignating subsections (b) and (c) as
19 subsections (a) and (b), respectively.

20 **SEC. 145. DAIRY PRODUCT MANDATORY REPORTING.**

21 Section 273(b)(1)(B) of the Agricultural Marketing
22 Act of 1946 (7 U.S.C. 1637b(b)(1)(B)) is amended—

23 (1) by inserting “and substantially identical
24 products designated by the Secretary” after “dairy
25 products” the first place it appears; and

1 (2) by inserting “and such substantially iden-
 2 tical products” after “dairy products” the second
 3 place it appears.

4 **SEC. 146. FUNDING OF DAIRY PROMOTION AND RESEARCH**
 5 **PROGRAM.**

6 (a) DEFINITIONS.—Section 111 of the Dairy Produc-
 7 tion Stabilization Act of 1983 (7 U.S.C. 4502) is
 8 amended—

9 (1) in subsection (k), by striking “and” at the
 10 end;

11 (2) in subsection (l), by striking the period at
 12 the end and inserting a semicolon; and

13 (3) by adding at the end the following:

14 “(m) the term ‘imported dairy product’ means
 15 any dairy product that is imported into the United
 16 States, including dairy products imported into the
 17 United States in the form of—

18 “(1) milk, cream, and fresh and dried
 19 dairy products;

20 “(2) butter and butterfat mixtures;

21 “(3) cheese; and

22 “(4) casein and mixtures;

23 “(n) the term ‘importer’ means a person that
 24 imports an imported dairy product into the United
 25 States; and

1 “(o) the term ‘Customs’ means the United
2 States Customs Service.”.

3 (b) REPRESENTATION OF IMPORTERS ON BOARD.—
4 Section 113(b) of the Dairy Production Stabilization Act
5 of 1983 (7 U.S.C. 4504(b)) is amended—

6 (1) by inserting “NATIONAL DAIRY PROMOTION
7 AND RESEARCH BOARD.—” after “(b)”;

8 (2) by designating the first through ninth sen-
9 tences as paragraphs (1) through (5) and para-
10 graphs (7) through (10), respectively, and indenting
11 the paragraphs appropriately;

12 (3) in paragraph (2) (as so designated), by
13 striking “Members” and inserting “Except as pro-
14 vided in paragraph (6), the members”; and

15 (4) by inserting after paragraph (5) (as so des-
16 ignated) the following:

17 “(6) IMPORTERS.—

18 “(A) REPRESENTATION.—The Secretary
19 shall appoint not more than 2 members who
20 represent importers of dairy products and are
21 subject to assessments under the order, to re-
22 flect the proportion of domestic production and
23 imports supplying the United States market,
24 which shall be based on the Secretary’s deter-
25 mination of the average volume of domestic pro-

duction of dairy products proportionate to the average volume of imports of dairy products in the United States over the previous three years.

“(B) ADDITIONAL MEMBERS; NOMINATIONS.—The members appointed under this paragraph—

“(i) shall be in addition to the total number of members appointed under paragraph (2); and

“(ii) shall be appointed from nominations submitted by importers under such procedures as the Secretary determines to be appropriate.”.

(c) IMPORTER ASSESSMENT.—Section 113(g) of the Dairy Production Stabilization Act of 1983 (7 U.S.C. 4504(g)) is amended—

(1) by inserting “ASSESSMENTS.—” after “(g)”;

(2) by designating the first through fifth sentences as paragraphs (1) through (5), respectively, and indenting appropriately; and

(3) by adding at the end the following:

“(6) IMPORTERS.—

“(A) IN GENERAL.—The order shall provide that each importer of imported dairy prod-

1 ucts shall pay an assessment to the Board in
2 the manner prescribed by the order.

3 “(B) TIME FOR PAYMENT.—The assess-
4 ment on imported dairy products shall be paid
5 by the importer to Customs at the time of the
6 entry of the products into the United States
7 and shall be remitted by Customs to the Board.
8 For purposes of this subparagraph, entry of the
9 products into the United States shall be deemed
10 to have occurred when the products are released
11 from custody of Customs and introduced into
12 the stream of commerce within the United
13 States. Importers include persons who hold title
14 to foreign-produced dairy products immediately
15 upon release by Customs, as well as persons
16 who act on behalf of others, as agents, brokers,
17 or consignees, to secure the release of dairy
18 products from Customs and the introduction of
19 the released dairy products into the stream of
20 commerce.

21 “(C) RATE.—The rate of assessment on
22 imported dairy products shall be determined in
23 the same manner as the rate of assessment per
24 hundredweight or the equivalent of milk.

1 “(D) VALUE OF PRODUCTS.—For the pur-
 2 pose of determining the assessment on imported
 3 dairy products under subparagraph (C), the
 4 value to be placed on imported dairy products
 5 shall be established by the Secretary in a fair
 6 and equitable manner.

7 “(E) USE OF ASSESSMENTS ON IMPORTED
 8 DAIRY.—Assessments collected on imported
 9 dairy products shall not be used for foreign
 10 market promotion.”.

11 (d) RECORDS.—Section 113(k) of the Dairy Produc-
 12 tion Stabilization Act of 1983 (7 U.S.C. 4504(k)) is
 13 amended in the first sentence by striking “person receiv-
 14 ing” and inserting “importer of imported dairy products,
 15 each person receiving”.

16 (e) IMPORTER ELIGIBILITY TO VOTE IN REF-
 17 ERENDUM.—Section 116(b) of the Dairy Promotion Sta-
 18 bilization Act of 1983 (7 U.S.C. 4507(b)) is amended—

19 (1) in the first sentence—

20 (A) by inserting after “of producers” the
 21 following: “and importers”; and

22 (B) by inserting after “the producers” the
 23 following: “and importers”; and

24 (2) in the second sentence, by inserting after
 25 “commercial use” the following: “and importers vot-

1 ing in the referendum (who have been engaged in
 2 the importation of dairy products during the same
 3 representative period, as determined by the Sec-
 4 retary).”.

5 (f) CONFORMING AMENDMENTS TO REFLECT ADDI-
 6 TION OF IMPORTERS.—Section 110(b) of the Dairy Pro-
 7 duction Stabilization Act of 1983 (7 U.S.C. 4501(b)) is
 8 amended—

9 (1) in the first sentence—

10 (A) by inserting after “commercial use”
 11 the following: “and on imported dairy prod-
 12 ucts”; and

13 (B) by striking “products produced in the
 14 United States.” and inserting “products.”; and

15 (2) in the second sentence, by inserting after
 16 “produce milk” the following: “or the right of any
 17 person to import dairy products”.

18 **CHAPTER 2—SUGAR**

19 **SEC. 151. SUGAR PROGRAM.**

20 (a) CONTINUATION OF PROGRAM.—Subsection (i) of
 21 section 156 of the Federal Agriculture Improvement and
 22 Reform Act of 1996 (7 U.S.C. 7251) is amended—

23 (1) by striking “(other than subsection (f))”;
 24 and

1 (2) by striking “2002 crops” and inserting
2 “2011 crops”.

3 (b) TERMINATION OF MARKETING ASSESSMENT.—
4 Effective as of October 1, 2001, subsection (f) of such sec-
5 tion is repealed.

6 (c) LOAN RATE ADJUSTMENTS.—Subsection (c) of
7 such section is amended—

8 (1) by striking “REDUCTION IN LOAN RATES”
9 and inserting “LOAN RATE ADJUSTMENTS”; and
10 (2) in paragraph (1)—

11 (A) by striking “REDUCTION REQUIRED”
12 and inserting “POSSIBLE REDUCTION”; and

13 (B) by striking “shall” and inserting
14 “may”.

15 (d) NOTIFICATION.—Subsection (e) of such section is
16 amended by adding at the end the following new para-
17 graph:

18 “(3) PREVENTION OF ONEROUS NOTIFICATION
19 REQUIREMENTS.—The Secretary may not impose or
20 enforce any prenotification or similar administrative
21 requirement that has the effect of preventing a proc-
22 essor from choosing to forfeit the loan collateral
23 upon the maturity of the loan.”.

1 (e) IN PROCESS SUGAR.—Such section is further
2 amended by inserting after subsection (e) the following
3 new subsection (f):

4 “(f) LOANS FOR IN-PROCESS SUGAR.—

5 “(1) AVAILABILITY; RATE.—The Secretary shall
6 make nonrecourse loans available to processors of
7 domestically grown sugarcane and sugar beets for
8 in-process sugars and syrups derived from such
9 crops. The loan rate shall be equal to 80 percent of
10 the loan rate applicable to raw cane sugar or refined
11 beet sugar, depending on the source material for the
12 in-process sugars and syrups.

13 “(2) FURTHER PROCESSING UPON FOR-
14 FEITURE.—As a condition on the forfeiture of in-
15 process sugars and syrups serving as collateral for
16 a loan under paragraph (1), the processor shall,
17 within such reasonable time period as the Secretary
18 may prescribe and at no cost to the Commodity
19 Credit Corporation, convert the in-process sugars
20 and syrups into raw cane sugar or refined beet
21 sugar of acceptable grade and quality for sugars eli-
22 gible for loans under subsection (a) or (b). Once the
23 in-process sugars and syrups are fully processed into
24 raw cane sugar or refined beet sugar, the processor
25 shall transfer the sugar to the Corporation, which

1 shall make a payment to the processor in an amount
 2 equal to the difference between the loan rate for raw
 3 cane sugar or refined beet sugar, whichever applies,
 4 and the loan rate the processor received under para-
 5 graph (1).

6 “(3) LOAN CONVERSION.—If the processor does
 7 not forfeit the collateral as described in paragraph
 8 (2), but instead further processes the in-process sug-
 9 ars and syrups into raw cane sugar or refined beet
 10 sugar and repays the loan on the in-process sugars
 11 and syrups, the processor may then obtain a loan
 12 under subsection (a) or (b) on the raw cane sugar
 13 or refined beet sugar, as appropriate.

14 “(4) DEFINITION.—In this subsection the term
 15 ‘in-process sugars and syrups’ does not include raw
 16 sugar, liquid sugar, invert sugar, invert syrup, or
 17 other finished products that are otherwise eligible
 18 for loans under subsection (a) or (b).”.

19 (f) ADMINISTRATION OF PROGRAM.—Such section is
 20 further amended by adding at the end the following new
 21 subsection:

22 “(j) AVOIDING FORFEITURES; CORPORATION INVEN-
 23 TORY DISPOSITION.—

24 “(1) NO COST.—To the maximum extent prac-
 25 ticable, the Secretary shall operate the sugar pro-

1 gram established under this section at no cost to the
2 Federal Government by avoiding the forfeiture of
3 sugar to the Commodity Credit Corporation.

4 “(2) INVENTORY DISPOSITION.—In support of
5 the objective specified in paragraph (1), the Com-
6 modity Credit Corporation may accept bids for com-
7 modities in the inventory of the Corporation from
8 (or otherwise make available such commodities, on
9 appropriate terms and conditions, to) processors of
10 sugarcane and processors of sugar beets (when the
11 processors are acting in conjunction with the pro-
12 ducers of the sugarcane or sugar beets processed by
13 such processors) in return for the reduction of pro-
14 duction of raw cane sugar or refined beet sugar, as
15 appropriate. The authority provided under this para-
16 graph is in addition to any authority of the Corpora-
17 tion under any other law.”.

18 (g) INFORMATION REPORTING.—Subsection (h) of
19 such section is amended—

20 (1) by redesignating paragraphs (2) and (3) as
21 paragraphs (4) and (5), respectively;

22 (2) by inserting after paragraph (1) the fol-
23 lowing new paragraphs:

24 “(2) DUTY OF PRODUCERS TO REPORT.—

1 “(A) PROPORTIONATE SHARE STATES.—

2 The Secretary shall require a producer of sug-
3 arcane located in a State (other than Puerto
4 Rico) in which there are in excess of 250 sugarcane
5 producers to report, in the manner pre-
6 scribed by the Secretary, the producer’s sugarcane
7 yields and acres planted to sugarcane.

8 “(B) OTHER STATES.—The Secretary may
9 require producers of sugarcane or sugar beets
10 not covered by paragraph (1) to report, in the
11 manner prescribed by the Secretary, each pro-
12 ducer’s sugarcane or sugar beet yields and
13 acres planted to sugarcane or sugar beets, re-
14 spectively.

15 “(3) DUTY OF IMPORTERS TO REPORT.—The
16 Secretary shall require an importer of sugars, syrups
17 or molasses to be used for human consumption or to
18 be used for the extraction of sugar for human con-
19 sumption, except such sugars, syrups, or molasses
20 that are within the quantities of tariff-rate quotas
21 that are at the lower rate of duties, to report, in the
22 manner prescribed by the Secretary, the quantities
23 of such products imported and the sugar content or
24 equivalent of such products.”; and

1 (3) in paragraph (5), as so redesignated, by
 2 striking “paragraph (1)” and inserting “this sub-
 3 section”.

4 (h) INTEREST RATE.—Section 163 of the Federal
 5 Agriculture Improvement and Reform Act of 1996 (7
 6 U.S.C. 7283) is amended by adding at the end the fol-
 7 lowing new sentence: “For purposes of this section, raw
 8 cane sugar, refined beet sugar, and in process sugar eligi-
 9 ble for a loan under section 156 shall not be considered
 10 an agricultural commodity.”.

11 **SEC. 152. REAUTHORIZE PROVISIONS OF AGRICULTURAL**
 12 **ADJUSTMENT ACT OF 1938 REGARDING**
 13 **SUGAR.**

14 (a) INFORMATION REPORTING.—Section 359a of the
 15 Agricultural Adjustment Act of 1938 (7 U.S.C. 1359aa)
 16 is repealed.

17 (b) ESTIMATES.—Section 359b of the Agricultural
 18 Adjustment Act of 1938 (7 U.S.C. 1359bb) is amended:

19 (1) in the section heading—

20 (A) by inserting “**FLEXIBLE**” before
 21 “**MARKETING**”; and

22 (B) by striking “**AND CRYSTALLINE**
 23 **FRUCTOSE**”;

24 (2) in subsection (a)—

25 (A) in paragraph (1)—

1 (i) by striking “Before” and inserting
2 “Not later than August 1 before”;

3 (ii) by striking “1992 through 1998”
4 and inserting “2002 through 2011”;

5 (iii) in subparagraph (A), by striking
6 “(other than sugar” and all that follows
7 through “stocks”;

8 (iv) by redesignating subparagraphs
9 (B) and (C) as subparagraphs (C) and
10 (E), respectively;

11 (v) by inserting after subparagraph
12 (A) the following:

13 “(B) the quantity of sugar that would pro-
14 vide for reasonable carryover stocks;”;

15 (vi) in subparagraph (C), as so
16 redesignated—

17 (I) by striking “or” through
18 “beets”; and

19 (II) by striking the “and” fol-
20 lowing the semicolon;

21 (vii) by inserting after subparagraph
22 (C), as so redesignated, the following:

23 “(D) the quantity of sugar that will be
24 available from the domestic processing of sugar-
25 cane and sugar beets; and”; and

1 (viii) in subparagraph (E), as so
2 redesignated—

3 (I) by striking “quantity of
4 sugar” and inserting “quantity of
5 sugars, syrups, and molasses”;

6 (II) by inserting “human” after
7 “imported for”;

8 (III) by inserting after “con-
9 sumption” the following: “or to be
10 used for the extraction of sugar for
11 human consumption”;

12 (IV) by striking “year” and in-
13 serting “year, whether such articles
14 are under a tariff-rate quota or are in
15 excess or outside of a tariff rate
16 quota”; and

17 (V) by striking “in (other than
18 sugar” and all that follows through
19 “carry-in stocks”;

20 (B) by redesignating paragraph (2) as
21 paragraph (3);

22 (C) by inserting after paragraph (1) the
23 following new paragraph:

24 “(2) EXCLUSION.—The estimates in this sec-
25 tion shall not include sugar imported for the produc-

tion of polyhydric alcohol or to be refined and re-exported in refined form or in sugar containing products.”;

(D) in paragraph (3), as so redesignated—

(i) by amending the heading to read

“REESTIMATES”; and

(ii) by inserting “as necessary, but”

after “a fiscal year”;

(3) in subsection (b)—

(A) by striking paragraph (1) and inserting the following new paragraph:

“(1) IN GENERAL.—By the beginning of each fiscal year, the Secretary shall establish for that fiscal year appropriate allotments under section 359c for the marketing by processors of sugar processed from sugar beets and from domestically-produced sugarcane at a level that the Secretary estimates will result in no forfeitures of sugar to the Commodity Credit Corporation under the loan program for sugar.”; and

(B) in paragraph (2), by striking “or crystalline fructose”;

(4) by striking subsection (c);

(5) by redesignating subsection (d) as subsection (c); and

1 (6) in subsection (c), as so redesignated—

2 (A) by striking paragraph (2);

3 (B) by redesignating paragraphs (3) and
4 (4) as paragraphs (2) and (3), respectively; and

5 (C) in paragraph (2), as so redesignated—

6 (i) by striking “or manufacturer”
7 through “(2)”; and

8 (ii) by striking “or crystalline fruc-
9 tose”.

10 (c) ESTABLISHMENT.—Section 359c of the Agricul-
11 tural Adjustment Act of 1938 (7 U.S.C. 1359cc) is
12 amended—

13 (1) in the section heading by inserting “**FLEXI-**
14 **BLE**” after “**OF**”;

15 (2) in subsection (a), by inserting “flexible”
16 after “establish”;

17 (3) in subsection (b)—

18 (A) in paragraph (1)(A), by striking
19 “1,250,000” and inserting “1,532,000”; and

20 (B) in paragraph (2), by striking “to the
21 maximum extent practicable”;

22 (4) by striking subsection (c) and inserting the
23 following new subsection:

24 “(c) MARKETING ALLOTMENT FOR SUGAR DERIVED
25 FROM SUGAR BEETS AND MARKETING ALLOTMENT FOR

1 SUGAR DERIVED FROM SUGARCANE.—The overall allot-
 2 ment quantity for the fiscal year shall be allotted among—

3 “(1) sugar derived from sugarbeets by estab-
 4 lishing a marketing allotment for a fiscal year at a
 5 quantity equal to the product of multiplying the
 6 overall allotment quantity for the fiscal year by the
 7 percentage of 54.35; and

8 “(2) sugar derived from sugarcane by estab-
 9 lishing a marketing allotment for a fiscal year at a
 10 quantity equal to the product of multiplying the
 11 overall allotment quantity for the fiscal year by the
 12 percentage of 45.65.”;

13 (5) by amending subsection (d) to read as fol-
 14 lows:

15 “(d) FILLING CANE SUGAR AND BEET SUGAR AL-
 16 LOTMENTS.—Each marketing allotment for cane sugar es-
 17 tablished under this section may only be filled with sugar
 18 processed from domestically grown sugarcane, and each
 19 marketing allotment for beet sugar established under this
 20 section may only be filled with sugar domestically proc-
 21 essed from sugar beets.”;

22 (6) by striking subsection (e);

23 (7) by redesignating subsection (f) as sub-
 24 section (e);

25 (8) in subsection (e), as so redesignated—

1 (A) by inserting “(1) IN GENERAL.—” be-
 2 fore “The allotment for sugar” and indenting
 3 such paragraph appropriately;

4 (B) in such paragraph (1)—

5 (i) by striking “the 5” and inserting
 6 “the”;

7 (ii) by inserting after “sugarcane is
 8 produced,” the following: “after a hearing,
 9 if requested by the affected sugar cane
 10 processors and growers, and on such notice
 11 as the Secretary by regulation may pre-
 12 scribe,”;

13 (iii) by striking “on the basis of past
 14 marketings” and all that follows through
 15 “allotments”, and inserting “as provided in
 16 this subsection and section
 17 359(d)(a)(2)(A)(iv)”;

18 (C) by inserting after paragraph (1) the
 19 following new paragraphs:

20 “(2) OFFSHORE ALLOTMENT.—

21 “(A) COLLECTIVELY.—Prior to the allot-
 22 ment of sugar derived from sugarcane to any
 23 other State, 325,000 short tons, raw value shall
 24 be allotted to the offshore States.

1 “(B) INDIVIDUALLY.—The collective off-
2 shore State allotment provided for under sub-
3 paragraph (A) shall be further allotted among
4 the offshore States in which sugarcane is pro-
5 duced, after a hearing if requested by the af-
6 fected sugar cane processors and growers, and
7 on such notice as the Secretary by regulation
8 may prescribe, in a fair and equitable manner
9 on the basis of—

10 “(i) past marketings of sugar, based
11 on the average of the 2 highest years of
12 production of raw cane sugar from the
13 1996 through 2000 crops;

14 “(ii) the ability of processors to mar-
15 ket the sugar covered under the allotments
16 for the crop year; and

17 “(iii) past processings of sugar from
18 sugarcane based on the 3 year average of
19 the crop years 1998 through 2000.

20 “(3) MAINLAND ALLOTMENT.—The allotment
21 for sugar derived from sugarcane, less the amount
22 provided for under paragraph (2), shall be allotted
23 among the mainland States in the United States in
24 which sugarcane is produced, after a hearing if re-
25 quested by the affected sugar cane processors and

1 growers, and on such notice as the Secretary by reg-
 2 ulation may prescribe, in a fair and equitable man-
 3 ner on the basis of—

4 “(A) past marketings of sugar, based on
 5 the average of the 2 highest years of production
 6 of raw cane sugar from the 1996 through 2000
 7 crops;

8 “(B) the ability of processors to market
 9 the sugar covered under the allotments for the
 10 crop year; and

11 “(C) past processings of sugar from sugar-
 12 cane, based on the 3 crop years with the great-
 13 est processings (in the mainland States collec-
 14 tively) during the 1991 through 2000 crop
 15 years.”;

16 (9) by inserting after subsection (e), as so re-
 17 designated, the following new subsection (f):

18 “(f) FILLING CANE SUGAR ALLOTMENTS.—Except
 19 as otherwise provided in section 359e, a State cane sugar
 20 allotment established under subsection (e) for a fiscal year
 21 may be filled only with sugar processed from sugarcane
 22 grown in the State covered by the allotment.”;

23 (10) in subsection (g)—

24 (A) in paragraph (1), by striking
 25 “359b(a)(2)—” through the end of subpara-

1 graph (C) and inserting “359b(a)(3), adjust up-
 2 ward or downward marketing allotments in a
 3 fair and equitable manner”;

4 (B) in paragraph (2) by striking “359f(b)”
 5 and inserting “359f(c)”; and

6 (C) in paragraph (3)—

7 (i) by striking “REDUCTIONS” and in-
 8 serting “CARRY-OVER OF REDUCTIONS”;

9 (ii) by inserting after “this subsection,
 10 if” the following: “at the time of the reduc-
 11 tion”;

12 (iii) by striking “price support” and
 13 inserting “nonrecourse”;

14 (iv) by striking “206” through “the
 15 allotment” and inserting “156 of the Agri-
 16 cultural Market Transition Act (7 U.S.C.
 17 7272),”; and

18 (v) by striking “, if any,”; and

19 (11) by amending subsection (h) to read as fol-
 20 lows:

21 “(h) SUSPENSION OF ALLOTMENTS.—Whenever the
 22 Secretary estimates, or reestimates, under section
 23 359b(a), or has reason to believe that imports of sugars,
 24 syrups or molasses for human consumption or to be used
 25 for the extraction of sugar for human consumption, wheth-

1 er under a tariff-rate quota or in excess or outside of a
 2 tariff-rate quota, will exceed 1.532 million short tons, raw
 3 value equivalent, and that such imports would lead to a
 4 reduction of the overall allotment quantity, the Secretary
 5 shall suspend the marketing allotments until such time as
 6 such imports have been restricted, eliminated, or otherwise
 7 reduced to or below the level of 1.532 million tons.”.

8 (d) ALLOCATION.—Section 359d of the Agricultural
 9 Adjustment Act of 1938 (7 U.S.C. 1359dd) is amended—

10 (1) in subsection (a)(2)(A)—

11 (A) by inserting “(i) IN GENERAL.—” be-
 12 fore “The Secretary shall” and indenting such
 13 clause appropriately;

14 (B) in clause (i), as so designated—

15 (ii) by striking “interested parties”
 16 and inserting “the affected sugar cane
 17 processors and growers”;

18 (iii) by striking “by taking” through
 19 “allotment allocated.” and inserting “with
 20 this subparagraph.”; and

21 (iv) by inserting at the end the fol-
 22 lowing new sentence: “Each such allocation
 23 shall be subject to adjustment under sec-
 24 tion 359c(g).”;

1 (C) by inserting after clause (i) the fol-
2 lowing new clause:

3 “(ii) MULTIPLE PROCESSOR
4 STATES.—Except as provided in clause
5 (iii), the Secretary shall allocate the allot-
6 ment for cane sugar among multiple cane
7 sugar processors in a single State based
8 upon—

9 “(I) past marketings of sugar,
10 based on the average of the 2 highest
11 years of production of raw cane sugar
12 from among the 1996 through 2000
13 crops;

14 “(II) the ability of processors to
15 market sugar covered by that portion
16 of the allotment allocated for the crop
17 year;

18 “(III) past processings of sugar
19 from sugarcane, based on the average
20 of the 3 highest years from among
21 crop years 1996 through 2000; and

22 “(IV) however, only with respect
23 to allotments under subclauses (I),
24 (II), and (III) attributable to the
25 former operations of the Talisman

1 processing facility, shall be allocated
2 among processors in the State coinci-
3 dent with the provisions of the agree-
4 ments of March 25 and March 26,
5 1999, between the affected processors
6 and the Department of the Interior.

7 “(iii) PROPORTIONATE SHARE
8 STATES.—In the case of States subject to
9 section 359f(c), the Secretary shall allocate
10 the allotment for cane sugar among mul-
11 tiple cane sugar processors in a single
12 state based upon—

13 “(I) past marketings of sugar,
14 based on the average of the two high-
15 est years of production of raw cane
16 sugar from among the 1997 through
17 2001 crop years;

18 “(II) the ability of processors to
19 market sugar covered by that portion
20 of the allotments allocated for the
21 crop year; and

22 “(III) past processings of sugar
23 from sugarcane, based on the average
24 of the two highest crop years from the
25 five crop years 1997 through 2001.

1 “(iv) NEW ENTRANTS.—Notwith-
2 standing clauses (ii) and (iii), the Sec-
3 retary, on application of any processor that
4 begins processing sugarcane on or after the
5 date of enactment of this clause, and after
6 a hearing if requested by the affected sug-
7 arcane processors and growers, and on
8 such notice as the Secretary by regulation
9 may prescribe, may provide such processor
10 with an allocation which provides a fair, ef-
11 ficient and equitable distribution of the al-
12 locations from the allotment for the State
13 in which the processor is located and, in
14 the case of proportionate share States,
15 shall establish proportionate shares in an
16 amount sufficient to produce the sugarcane
17 required to satisfy such allocations. How-
18 ever, the allotment for a new processor
19 under this clause shall not exceed 50,000
20 short tons, raw value.

21 “(v) TRANSFER OF OWNERSHIP.—Except as other-
22 wise provided in section 359f(c)(8), in the event that a
23 sugarcane processor is sold or otherwise transferred to an-
24 other owner, or closed as part of an affiliated corporate
25 group processing consolidation, the Secretary shall trans-

1 fer the allotment allocation for the processor to the pur-
 2 chaser, new owner, or successor in interest, as applicable,
 3 of the processor.”; and

4 (2) in subsection (a)(2)(B)—

5 (A) by striking “interested parties” and in-
 6 serting “the affected sugar beet processors and
 7 growers”; and

8 (B) by striking “processing capacity”
 9 through “allotment allocated” and inserting the
 10 following: “the marketings of sugar processed
 11 from sugar beets of any or all of the 1996
 12 through 2000 crops, and such other factors as
 13 the Secretary may deem appropriate after con-
 14 sultation with the affected sugar beet proc-
 15 essors and growers. However, in the case of any
 16 processor which has started processing sugar
 17 beets after January 1, 1996, the Secretary shall
 18 provide such processor with an allocation which
 19 provides a fair, efficient and equitable distribu-
 20 tion of the allocations.”.

21 (e) REASSIGNMENT.—Section 359e(b) of the Agricul-
 22 tural Adjustment Act of 1938 (7 U.S.C. 1359ee(b)) is
 23 amended—

24 (1) in paragraph (1)—

1 (A) in subparagraph (B) by striking the
2 “and” after the semicolon;

3 (B) by redesignating subparagraph (C) as
4 subparagraph (D);

5 (C) by inserting after subparagraph (B)
6 the following new subparagraph:

7 “(C) if after the reassignments, the deficit
8 cannot be completely eliminated, the Secretary
9 shall reassign the estimated quantity of the def-
10 icit to the sale of any inventories of sugar held
11 by the Commodity Credit Corporation; and”;
12 and

13 (D) in subparagraph (D), as so redesign-
14 ated, by inserting “and sales” after “reassign-
15 ments”; and

16 (2) in paragraph (2)—

17 (A) in subparagraph (A) by striking the
18 “and” after the semicolon;

19 (B) in subparagraph (B), by striking “re-
20 assign the remainder to imports.” and inserting
21 “use the estimated quantity of the deficit for
22 the sale of any inventories of sugar held by the
23 Commodity Credit Corporation; and”; and

24 (C) by inserting after subparagraph (B)
25 the following new subparagraph:

1 “(C) if after such reassignments and sales,
 2 the deficit cannot be completely eliminated, the
 3 Secretary shall reassign the remainder to im-
 4 ports.”.

5 (f) PRODUCER PROVISIONS.—Section 359f of the Ag-
 6 ricultural Adjustment Act of 1938 (7 U.S.C. 1359ff) is
 7 amended—

8 (1) in subsection (a)—

9 (A) by striking “processor’s allocation” in
 10 the second sentence and inserting “allocation to
 11 the processor”; and

12 (B) by inserting after “request of either
 13 party” the following: “, and such arbitration
 14 should be completed within 45 days, but not
 15 more than 60 days, of the request”;

16 (2) by redesignating subsection (b) as sub-
 17 section (c);

18 (3) by inserting after subsection (a) the fol-
 19 lowing new subsection:

20 “(b) SUGAR BEET PROCESSING FACILITY CLO-
 21 SURES.— In the event that a sugar beet processing facility
 22 is closed and the sugar beet growers who previously deliv-
 23 ered beets to such facility desire to deliver their beets to
 24 another processing company:

1 “(1) Such growers may petition the Secretary
2 to modify existing allocations to accommodate such
3 a transition; and

4 “(2) The Secretary may increase the allocation
5 to the processing company to which the growers de-
6 sire to deliver their sugar beets, and which the proc-
7 essing company agrees to accept, not to exceed its
8 processing capacity, to accommodate the change in
9 deliveries.

10 “(3) Such increased allocation shall be deducted
11 from the allocation to the company that owned the
12 processing facility that has been closed and the re-
13 maining allocation will be unaffected.

14 “(4) The Secretary’s determination on the
15 issues raised by the petition shall be made within 60
16 days of the filing of the petition.”;

17 (4) in subsection (c), as so redesignated—

18 (A) in paragraph (3)(A), by striking “the
19 preceding five years” and inserting “the two
20 highest years from among the years 1999,
21 2000, and 2001”;

22 (B) in paragraph (4), subparagraph (A),
23 by striking “each” through “in effect” and in-
24 serting “the two highest of the three (3) crop
25 years 1999, 2000, and 2001”; and

1 (C) by inserting after paragraph (7) the
2 following new paragraph:

3 “(8) PROCESSING FACILITY CLOSURES.—In the
4 event that a sugarcane processing facility subject to
5 this subsection is closed and the sugarcane growers
6 who previously delivered sugarcane to such facility
7 desire to deliver their sugarcane to another proc-
8 essing company—

9 “(A) such growers may petition the Sec-
10 retary to modify existing allocations to accom-
11 modate such a transition;

12 “(B) the Secretary may increase the allo-
13 cation to the processing company to which the
14 growers desire to deliver the sugarcane, and
15 which the processing company agrees to accept,
16 not to exceed its processing capacity, to accom-
17 modate the change in deliveries;

18 “(C) such increased allocation shall be de-
19 ducted from the allocation to the company that
20 owned the processing facility that has been
21 closed and the remaining allocation will be un-
22 affected; and

23 “(D) the Secretary’s determination on the
24 issues raised by the petition shall be made with-
25 in 60 days of the filing of the petition.”.

1 (g) CONFORMING AMENDMENTS.—(1) The heading
 2 of part VII of subtitle B of Title III of the Agricultural
 3 Adjustment Act of 1938 (7 U.S.C. 359aa et seq.) is
 4 amended to read as follows:

5 **“PART VII—FLEXIBLE MARKETING ALLOTMENTS**
 6 **FOR SUGAR”.**

7 (2) Section 359g of the Agricultural Adjustment Act
 8 of 1938 (7 U.S.C. 1359gg) is amended—

9 (A) by striking “359f” each place it appears
 10 and inserting “359f(c);

11 (B) in subsection (b), by striking “3 consecu-
 12 tive” and inserting “5 consecutive”; and

13 (C) in subsection (c), by inserting “or adjusted”
 14 after “share established”.

15 (3) Section 359j(c) of the Agricultural Adjustment
 16 Act of 1938 (7 U.S.C. 1359jj) is amended—

17 (2) by amending the heading to read “DEFINI-
 18 TIONS.—”;

19 (B) by striking “Notwithstanding” and in-
 20 serting the following:

21 “(1) UNITED STATES AND STATE.—Notwith-
 22 standing”; and

23 (C) by inserting after such paragraph (1)
 24 the following new paragraph:

1 “(2) OFFSHORE STATES.—For purposes of this
2 part, the term ‘offshore States’ means the sugarcane
3 producing States located outside of the continental
4 United States.”.

5 (h) LIFTING OF SUSPENSION.—Section 171(a)(1)(E)
6 of the Federal Agriculture Improvement and Reform Act
7 of 1996 (7 U.S.C. 7301(a)(1)(E)) is amended by inserting
8 before the period at the end the following: “, but only with
9 respect to sugar marketings through fiscal year 2002”.

10 **SEC. 153. STORAGE FACILITY LOANS.**

11 (a) STORAGE FACILITY LOAN PROGRAM.—Notwith-
12 standing any other provision of law and as soon as prac-
13 ticable after the date of enactment of this section, the
14 Commodity Credit Corporation shall amend part 1436 of
15 title 7, Code of Federal Regulations, to establish a sugar
16 storage facility loan program to provide financing for proc-
17 essors of domestically-produced sugarcane and sugar beets
18 to build or upgrade storage and handling facilities for raw
19 sugars and refined sugars.

20 (b) ELIGIBLE PROCESSORS.—Storage facility loans
21 shall be made available to any processor of domestically
22 produced sugarcane or sugar beets that has a satisfactory
23 credit history, determines a need for increased storage ca-
24 pacity (taking into account the effects of marketing allot-
25 ments), and demonstrates an ability to repay the loan.

1 (c) TERM OF LOANS.—Storage facility loans shall be
 2 for a minimum of seven years, and shall be in such
 3 amounts and on such terms and conditions (including
 4 down payment, security requirements, and eligible equip-
 5 ment) as are normal, customary, and appropriate for the
 6 size and commercial nature of the borrower.

7 (d) ADMINISTRATION.—The sugar storage facility
 8 loan program shall be administered using the services, fa-
 9 cilities, funds, and authorities of the Commodity Credit
 10 Corporation.

11 **CHAPTER 3—PEANUTS**

12 **SEC. 161. DEFINITIONS.**

13 In this chapter:

14 (1) COUNTER-CYCLICAL PAYMENT.—The term
 15 “counter-cyclical payment” means a payment made
 16 to producers under section 164.

17 (2) EFFECTIVE PRICE.—The term “effective
 18 price” means the price calculated by the Secretary
 19 under section 164 for peanuts to determine whether
 20 counter-cyclical payments are required to be made
 21 under such section for a crop year.

22 (3) ELIGIBLE PEANUT PRODUCER.—The term
 23 “eligible producer” means a producer on a farm in
 24 the United States that produced or attempted to

1 produce peanuts during any or all of crop years
2 1998, 1999, 2000, and 2001.

3 (4) FIXED, DECOUPLED PAYMENT.—The term
4 “fixed, decoupled payment” means a payment made
5 to producers under section 163.

6 (5) PAYMENT ACRES.—The term “payment
7 acres” means 85 percent of the peanut acres on a
8 farm, as established under section 162, upon which
9 fixed, decoupled payments and counter-cyclical pay-
10 ments are to be made.

11 (6) PEANUT ACRES.—The term “peanut acres”
12 means the number of acres planted and prevented
13 from being planted to peanuts for harvest on the
14 farm over a certain number of crop years, as estab-
15 lished under section 162.

16 (7) PAYMENT YIELD.—The term “payment
17 yield” means the yield established under section 162
18 for a farm for peanuts.

19 (8) PRODUCER.—The term “producer” means
20 an owner, operator, landlord, tenant, or share-
21 cropper who shares in the risk of producing a crop
22 of peanuts and who is entitled to share in the crop
23 available for marketing from the farm, or would
24 have shared had the crop been produced.

1 (9) SECRETARY.—The term “Secretary” means
2 the Secretary of Agriculture.

3 (10) STATE.—The term “State” means each of
4 the several States of the United States, the District
5 of Columbia, the Commonwealth of Puerto Rico, and
6 any other territory or possession of the United
7 States.

8 (11) TARGET PRICE.—The term “target price”
9 means the price per ton of peanuts used to deter-
10 mine the payment rate for counter-cyclical pay-
11 ments.

12 (12) UNITED STATES.—The term “United
13 States”, when used in a geographical sense, means
14 all of the States.

15 **SEC. 162. ESTABLISHMENT OF PAYMENT YIELD, PEANUT**
16 **ACRES, AND PAYMENT ACRES FOR A FARM.**

17 (a) ESTABLISHMENT OF PAYMENT YIELD.—

18 (1) ESTABLISHMENT AND PURPOSE.—For the
19 purpose of making fixed decoupled payments and
20 counter-cyclical payments to eligible peanut pro-
21 ducers under this chapter, the Secretary shall pro-
22 vide for the establishment of a payment yield for
23 each peanut farm in accordance with this subsection.

24 (2) AVERAGE YIELD.—The Secretary shall es-
25 tablish a payment yield for peanuts on a farm by

1 first determining the average yield for peanuts on
2 the farm for the 1998 through 2001 crop years, ex-
3 cluding any crop year in which the yield was zero.
4 If, for any of these four crop years in which peanuts
5 were planted, the farm would have satisfied the eligi-
6 bility criteria established to carry out section 1102
7 of the Agriculture, Rural Development, Food and
8 Drug Administration, and Related Agencies Appro-
9 priations Act, 1999 (7 U.S.C. 1421 note; Public
10 Law 105–277), the Secretary shall assign a yield for
11 that year equal to 65 percent of the county yield, as
12 determined by the Secretary.

13 (b) PEANUTS ACRES.—The peanut acres for a farm
14 shall be equal to the four-year average of acreage actually
15 planted on the farm in peanuts for harvest during crop
16 years 1998, 1999, 2000, and 2001 and any acreage on
17 the farm that the producers were prevented from planting
18 to peanuts during such crop years because of drought,
19 flood, or other natural disaster, or other condition beyond
20 the control of the producer, as determined by the Sec-
21 retary.

22 (c) PAYMENTS ACRES.—The payment acres for pea-
23 nuts on a farm shall be equal to 85 percent of the peanut
24 acres for the farm.

25 (d) PREVENTION OF EXCESS PAYMENT ACRES.—

1 (1) REQUIRED REDUCTION.—If the sum of the
2 peanut acres for a farm, together with the acreage
3 described in paragraph (2), exceeds the actual crop-
4 land acreage of the farm, the Secretary shall make
5 such reductions in the quantity of peanut acres for
6 the farm as may be necessary so that the sum of the
7 peanut acres and acreage described in paragraph (2)
8 does not exceed the actual cropland acreage of the
9 farm.

10 (2) OTHER ACREAGE.—For purposes of para-
11 graph (1), the Secretary shall include the following:

12 (A) Any base acres for the farm under
13 subtitle A.

14 (B) Any acreage on the farm enrolled in
15 the conservation reserve program or wetlands
16 reserve program under chapter 1 of subtitle D
17 of title XII of the Food Security Act of 1985
18 (16 U.S.C. 3830 et seq.).

19 (C) Any other acreage on the farm enrolled
20 in a conservation program for which payments
21 are made in exchange for not producing an ag-
22 ricultural commodity on the acreage.

1 **SEC. 163. AVAILABILITY OF FIXED, DECOUPLED PAYMENTS**
2 **FOR PEANUTS.**

3 (a) **PAYMENT REQUIRED.**—For each of the 2002
4 through 2011 crop years, the Secretary shall make fixed,
5 decoupled payments to eligible peanut producers on a
6 farm.

7 (b) **PAYMENT RATE.**—The payment rate used to
8 make fixed, decoupled payments with respect to peanuts
9 for a crop year shall be equal to \$36 per ton.

10 (c) **PAYMENT AMOUNT.**—The amount of the fixed,
11 decoupled payment to be paid to the eligible peanut pro-
12 ducers on a farm for a covered commodity for a crop year
13 shall be equal to the product of the following:

14 (1) The payment rate specified in subsection

15 (b).

16 (2) The payment acres on the farm.

17 (3) The payment yield for the farm.

18 (d) **TIME FOR PAYMENT.**—

19 (1) **GENERAL RULE.**—Fixed, decoupled pay-
20 ments shall be paid not later than September 30 of
21 each of fiscal years 2002 through 2011. In the case
22 of the 2002 crop, payments may begin to be made
23 on or after December 1, 2001.

24 (2) **ADVANCE PAYMENTS.**—At the option of an
25 eligible peanut producer, 50 percent of the fixed, de-
26 coupled payment for a fiscal year shall be paid on

1 a date selected by the producer. The selected date
2 shall be on or after December 1 of that fiscal year,
3 and the producer may change the selected date for
4 a subsequent fiscal year by providing advance notice
5 to the Secretary.

6 (3) REPAYMENT OF ADVANCE PAYMENTS.—If a
7 producer that receives an advance fixed, decoupled
8 payment for a fiscal year ceases to be an eligible
9 peanut producer before the date the fixed, decoupled
10 payment would otherwise have been made by the
11 Secretary under paragraph (1), the producer shall be
12 responsible for repaying the Secretary the full
13 amount of the advance payment.

14 **SEC. 164. AVAILABILITY OF COUNTER-CYCLICAL PAYMENTS**
15 **FOR PEANUTS.**

16 (a) PAYMENT REQUIRED.—During the 2002 through
17 2011 crop years for peanuts, the Secretary shall make
18 counter-cyclical payments with respect to peanuts when-
19 ever the Secretary determines that the effective price for
20 peanuts is less than the target price.

21 (b) EFFECTIVE PRICE.—For purposes of subsection
22 (a), the effective price for peanuts is equal to the sum
23 of the following:

24 (1) The higher of the following:

1 (A) The national average market price re-
2 ceived by producers during the 12-month mar-
3 keting year for peanuts, as determined by the
4 Secretary.

5 (B) The national average loan rate for a
6 marketing assistance loan for peanuts in effect
7 for the same period under this chapter.

8 (2) The payment rate in effect under section
9 163 for the purpose of making fixed, decoupled pay-
10 ments.

11 (c) TARGET PRICE.—For purposes of subsection (a),
12 the target price for peanuts shall be equal to \$480 per
13 ton.

14 (d) PAYMENT RATE.—The payment rate used to
15 make counter-cyclical payments for a crop year shall be
16 equal to the difference between—

17 (1) the target price; and

18 (2) the effective price determined under sub-
19 section (b).

20 (e) PAYMENT AMOUNT.—The amount of the counter-
21 cyclical payment to be paid to the eligible peanut pro-
22 ducers on a farm for a crop year shall be equal to the
23 product of the following:

24 (1) The payment rate specified in subsection

25 (d).

1 (2) The payment acres on the farm.

2 (3) The payment yield for the farm.

3 (f) TIME FOR PAYMENTS.—

4 (1) GENERAL RULE.—The Secretary shall make
5 counter-cyclical payments under this section for a
6 peanut crop as soon as possible after determining
7 under subsection (a) that such payments are re-
8 quired for that crop year.

9 (2) PARTIAL PAYMENT.—The Secretary may
10 permit, and, if so permitted, an eligible peanut pro-
11 ducer may elect to receive, up to 50 percent of the
12 projected counter-cyclical payment, as determined by
13 the Secretary, to be made under this section for a
14 peanut crop upon completion of the first six months
15 of the marketing year for that crop. The producer
16 shall repay to the Secretary the amount, if any, by
17 which the partial payment exceeds the actual
18 counter-cyclical payment to be made for that crop.

19 **SEC. 165. PRODUCER AGREEMENT REQUIRED AS CONDI-**
20 **TION ON PROVISION OF FIXED, DECOUPLED**
21 **PAYMENTS AND COUNTER-CYCLICAL PAY-**
22 **MENTS.**

23 (a) COMPLIANCE WITH CERTAIN REQUIREMENTS.—

24 (1) REQUIREMENTS.—Before the producers on
25 a farm may receive fixed, decoupled payments or

1 counter-cyclical payments with respect to the farm,
2 the producers shall agree, in exchange for the
3 payments—

4 (A) to comply with applicable conservation
5 requirements under subtitle B of title XII of
6 the Food Security Act of 1985 (16 U.S.C. 3811
7 et seq.);

8 (B) to comply with applicable wetland pro-
9 tection requirements under subtitle C of title
10 XII of the Act (16 U.S.C. 3821 et seq.);

11 (C) to comply with the planting flexibility
12 requirements of section 166; and

13 (D) to use the land on the farm, in an
14 amount equal to the peanut acres, for an agri-
15 cultural or conserving use, and not for a non-
16 agricultural commercial or industrial use, as de-
17 termined by the Secretary.

18 (2) COMPLIANCE.—The Secretary may issue
19 such rules as the Secretary considers necessary to
20 ensure producer compliance with the requirements of
21 paragraph (1).

22 (b) EFFECT OF FORECLOSURE.—A producer may not
23 be required to make repayments to the Secretary of fixed,
24 decoupled payments and counter-cyclical payments if the
25 farm has been foreclosed on and the Secretary determines

1 that forgiving the repayments is appropriate to provide
2 fair and equitable treatment. This subsection shall not
3 void the responsibilities of the producer under subsection
4 (a) if the producer continues or resumes operation, or con-
5 trol, of the farm. On the resumption of operation or con-
6 trol over the farm by the producer, the requirements of
7 subsection (a) in effect on the date of the foreclosure shall
8 apply.

9 (c) TRANSFER OR CHANGE OF INTEREST IN FARM.—

10 (1) TERMINATION.—Except as provided in
11 paragraph (4), a transfer of (or change in) the inter-
12 est of a producer in peanut acres for which fixed, de-
13 coupled payments or counter-cyclical payments are
14 made shall result in the termination of the payments
15 with respect to the peanut acres, unless the trans-
16 feree or owner of the acreage agrees to assume all
17 obligations under subsection (a). The termination
18 shall be effective on the date of the transfer or
19 change.

20 (2) TRANSFER OF PAYMENT BASE.—There is
21 no restriction on the transfer of a farm's peanut
22 acres or payment yield as part of a change in the
23 producers on the farm.

24 (3) MODIFICATION.—At the request of the
25 transferee or owner, the Secretary may modify the

1 requirements of subsection (a) if the modifications
2 are consistent with the objectives of such subsection,
3 as determined by the Secretary.

4 (4) EXCEPTION.—If a producer entitled to a
5 fixed, decoupled payment or counter-cyclical pay-
6 ment dies, becomes incompetent, or is otherwise un-
7 able to receive the payment, the Secretary shall
8 make the payment, in accordance with regulations
9 prescribed by the Secretary.

10 (d) ACREAGE REPORTS.—As a condition on the re-
11 ceipt of any benefits under this chapter, the Secretary
12 shall require producers to submit to the Secretary acreage
13 reports.

14 (e) TENANTS AND SHARECROPPERS.—In carrying
15 out this chapter, the Secretary shall provide adequate
16 safeguards to protect the interests of tenants and share-
17 croppers.

18 (f) SHARING OF PAYMENTS.—The Secretary shall
19 provide for the sharing of fixed, decoupled payments and
20 counter-cyclical payments among the eligible peanut pro-
21 ducers on a farm on a fair and equitable basis.

22 **SEC. 166. PLANTING FLEXIBILITY.**

23 (a) PERMITTED CROPS.—Subject to subsection (b),
24 any commodity or crop may be planted on peanut acres
25 on a farm.

1 (b) LIMITATIONS AND EXCEPTIONS REGARDING
2 FRUITS AND VEGETABLES.—

3 (1) LIMITATIONS.—The planting of fruits and
4 vegetables (other than lentils, mung beans, and dry
5 peas) shall be prohibited on peanut acres.

6 (2) EXCEPTIONS.—Paragraph (1) shall not
7 limit the planting of a fruit or vegetable—

8 (A) in any region in which there is a his-
9 tory of double-cropping of peanuts with fruits
10 or vegetables, as determined by the Secretary,
11 in which case the double-cropping shall be per-
12 mitted;

13 (B) on a farm that the Secretary deter-
14 mines has a history of planting fruits or vegeta-
15 bles on peanut acres, except that fixed, decou-
16 pled payments and counter-cyclical payments
17 shall be reduced by an acre for each acre plant-
18 ed to the fruit or vegetable; or

19 (C) by a producer who the Secretary deter-
20 mines has an established planting history of a
21 specific fruit or vegetable, except that—

22 (i) the quantity planted may not ex-
23 ceed the producer's average annual plant-
24 ing history of the fruit or vegetable in the
25 1991 through 1995 crop years (excluding

1 any crop year in which no plantings were
2 made), as determined by the Secretary;
3 and

4 (ii) fixed, decoupled payments and
5 counter-cyclical payments shall be reduced
6 by an acre for each acre planted to the
7 fruit or vegetable.

8 **SEC. 167. MARKETING ASSISTANCE LOANS AND LOAN DEFICIENCY PAYMENTS FOR PEANUTS.**
9

10 (a) NONRECOURSE LOANS AVAILABLE.—

11 (1) AVAILABILITY.—For each of the 2002
12 through 2011 crops of peanuts, the Secretary shall
13 make available to producers on a farm nonrecourse
14 marketing assistance loans for peanuts produced on
15 the farm. The loans shall be made under terms and
16 conditions that are prescribed by the Secretary and
17 at the loan rate established under subsection (b).

18 (2) ELIGIBLE PRODUCTION.—Any production of
19 peanuts on a farm shall be eligible for a marketing
20 assistance loan under this subsection.

21 (3) TREATMENT OF CERTAIN COMMINGLED
22 COMMODITIES.—In carrying out this subsection, the
23 Secretary shall make loans to a producer that is otherwise eligible to obtain a marketing assistance loan,
24 but for the fact the peanuts owned by the producer
25

1 are commingled with other peanuts in facilities unli-
2 censed for the storage of agricultural commodities
3 by the Secretary or a State licensing authority, if
4 the producer obtaining the loan agrees to imme-
5 diately redeem the loan collateral in accordance with
6 section 166 of the Federal Agriculture Improvement
7 and Reform Act of 1996 (7 U.S.C. 7286).

8 (4) OPTIONS FOR OBTAINING LOAN.—A mar-
9 keting assistance loan under this subsection, and
10 loan deficiency payments under subsection (e), may
11 be obtained at the option of the producer through—

12 (A) a designated marketing association of
13 peanut producers that is approved by the Sec-
14 retary;

15 (B) a loan servicing agent approved by the
16 Secretary; or

17 (C) the Farm Service Agency.

18 (5) LOAN SERVICING AGENT.—As a condition
19 of the Secretary's approval of an entity to serve as
20 a loan servicing agent or to handle or store peanuts
21 for producers that receive any marketing loan bene-
22 fits, the entity shall agree to provide adequate stor-
23 age (if available) and handling of peanuts at the
24 commercial rate to other approved loan servicing
25 agents and marketing associations.

1 (b) LOAN RATE.—The loan rate for a marketing as-
2 sistance loan under for peanuts subsection (a) shall be
3 equal to \$350 per ton.

4 (c) TERM OF LOAN.—

5 (1) IN GENERAL.—A marketing assistance loan
6 for peanuts under subsection (a) shall have a term
7 of nine months beginning on the first day of the
8 first month after the month in which the loan is
9 made.

10 (2) EXTENSIONS PROHIBITED.—The Secretary
11 may not extend the term of a marketing assistance
12 loan under subsection (a).

13 (d) REPAYMENT RATE.—The Secretary shall permit
14 producers to repay a marketing assistance loan for pea-
15 nuts under subsection (a) at a rate that is the lesser of—

16 (1) the loan rate established for the commodity
17 under subsection (b), plus interest (as determined by
18 the Secretary); or

19 (2) a rate that the Secretary determines will—

20 (A) minimize potential loan forfeitures;

21 (B) minimize the accumulation of stocks of
22 peanuts by the Federal Government;

23 (C) minimize the cost incurred by the Fed-
24 eral Government in storing peanuts; and

1 (D) allow peanuts produced in the United
2 States to be marketed freely and competitively,
3 both domestically and internationally.

4 (e) LOAN DEFICIENCY PAYMENTS.—

5 (1) AVAILABILITY.—The Secretary may make
6 loan deficiency payments available to producers who,
7 although eligible to obtain a marketing assistance
8 loan for peanuts under subsection (a), agree to forgo
9 obtaining the loan for the peanuts in return for pay-
10 ments under this subsection.

11 (2) COMPUTATION.—A loan deficiency payment
12 under this subsection shall be computed by
13 multiplying—

14 (A) the loan payment rate determined
15 under paragraph (3) for peanuts; by

16 (B) the quantity of the peanuts produced
17 by the eligible producers, excluding any quan-
18 tity for which the producers obtain a loan under
19 subsection (a).

20 (3) LOAN PAYMENT RATE.—For purposes of
21 this subsection, the loan payment rate shall be the
22 amount by which—

23 (A) the loan rate established under sub-
24 section (b); exceeds

1 (B) the rate at which a loan may be repaid
2 under subsection (d).

3 (4) TIME FOR PAYMENT.—The Secretary shall
4 make a payment under this subsection to a producer
5 with respect to a quantity of peanuts as of the ear-
6 lier of the following:

7 (A) The date on which the producer mar-
8 keted or otherwise lost beneficial interest in the
9 peanuts, as determined by the Secretary.

10 (B) The date the producer requests the
11 payment.

12 (f) COMPLIANCE WITH CONSERVATION AND WET-
13 LANDS REQUIREMENTS.—As a condition of the receipt of
14 a marketing assistance loan under subsection (a), the pro-
15 ducer shall comply with applicable conservation require-
16 ments under subtitle B of title XII of the Food Security
17 Act of 1985 (16 U.S.C. 3811 et seq.) and applicable wet-
18 land protection requirements under subtitle C of title XII
19 of the Act (16 U.S.C. 3821 et seq.) during the term of
20 the loan.

21 (g) REIMBURSABLE AGREEMENTS AND PAYMENT OF
22 EXPENSES.—To the extent practicable, the Secretary
23 shall implement any reimbursable agreements or provide
24 for the payment of expenses under this chapter in a man-

ner that is consistent with such activities in regard to
other commodities.

(h) TERMINATION OF SUPERSEDED PRICE SUPPORT
AUTHORITY.—

(1) REPEAL.—Section 155 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7271) is repealed.

(2) CONFORMING AMENDMENTS.—The Agricultural Act of 1949 (7 U.S.C. 1441 et seq.) is amended—

(A) in section 101(b) (7 U.S.C. 1441(b)),
by striking “and peanuts”; and

(B) in section 408(c) (7 U.S.C. 1428(c)),
by striking “peanuts,”.

SEC. 168. QUALITY IMPROVEMENT.

(a) OFFICIAL INSPECTION.—

(1) MANDATORY INSPECTION.—All peanuts placed under a marketing assistance loan under section 167 shall be officially inspected and graded by Federal or State inspectors.

(2) OPTIONAL INSPECTION.—Peanuts not placed under a marketing assistance loan may be graded at the option of the producer.

(b) TERMINATION OF PEANUT ADMINISTRATIVE COMMITTEE.—The Peanut Administrative Committee es-

1 tablished under Marketing Agreement No. 1436, which
 2 regulates the quality of domestically produced peanuts
 3 under the Agricultural Adjustment Act (7 U.S.C. 601 et
 4 seq.), reenacted with amendments by the Agricultural
 5 Marketing Agreement Act of 1937, is terminated.

6 (c) ESTABLISHMENT OF PEANUT STANDARDS
 7 BOARD.—The Secretary shall establish a Peanut Stand-
 8 ards Board for the purpose of assisting in the establish-
 9 ment of quality standards with respect to peanuts. The
 10 authority of the Board is limited to assisting in the estab-
 11 lishment of quality standards for peanuts. The members
 12 of the Board should fairly reflect all segments of the pea-
 13 nut industry.

14 (d) EFFECTIVE DATE.—This section shall take effect
 15 with the 2002 crop of peanuts.

16 **SEC. 169. PAYMENT LIMITATIONS.**

17 For purposes of sections 1001 through 1001C of the
 18 Food Security Act of 1985 (7 U.S.C. 1308 through 1308–
 19 3), separate payment limitations shall apply to peanuts
 20 with respect to—

- 21 (1) fixed, decoupled payments;
- 22 (2) counter-cyclical payments; and
- 23 (3) limitations on marketing loan gains and
- 24 loan deficiency payments.

1 **SEC. 170. TERMINATION OF MARKETING QUOTA PROGRAMS**
2 **FOR PEANUTS AND COMPENSATION TO PEA-**
3 **NUT QUOTA HOLDERS FOR LOSS OF QUOTA**
4 **ASSET VALUE.**

5 (a) REPEAL OF MARKETING QUOTA.—Part VI of
6 subtitle B of title III of the Agricultural Adjustment Act
7 of 1938 (7 U.S.C. 1357–1359a), relating to peanuts, is
8 repealed.

9 (b) COMPENSATION REQUIRED.—During fiscal years
10 2002 through 2006, the Secretary shall make payments
11 under this section to eligible peanut quota holders to com-
12 pensate them for the lost value of the quota on account
13 of the repeal of the marketing quota program for peanuts
14 under subsection (a).

15 (c) TIME FOR PAYMENT.—The payments required by
16 this section shall be provided in five equal installments not
17 later than September 30 of each of fiscal years 2002
18 through 2006.

19 (d) PAYMENT AMOUNT.—The amount of the pay-
20 ment for a fiscal year to a peanut quota holder under this
21 section shall be equal to the product obtained by
22 multiplying—

23 (1) \$0.10 per pound; by

24 (2) the actual farm poundage quota (excluding
25 seed and experimental peanuts) established for the
26 peanut quota holder's farm under section 358–1(b)

1 of the Agricultural Adjustment Act of 1938 (7
2 U.S.C. 1358–1(b)) for the 2001 marketing year.

3 (e) ASSIGNMENT OF PAYMENTS.—The provisions of
4 section 8(g) of the Soil Conservation and Domestic Allot-
5 ment Act (16 U.S.C. 590h(g)), relating to assignment of
6 payments, shall apply to the payments made to peanut
7 quota holders under this section. The peanut quota holder
8 making the assignment, or the assignee, shall provide the
9 Secretary with notice, in such manner as the Secretary
10 may require, of any assignment made under this sub-
11 section.

12 (f) PEANUT QUOTA HOLDER DEFINED.—In this sec-
13 tion, the term “peanut quota holder” means a person or
14 enterprise that owns a farm that—

15 (1) was eligible, immediately before the date of
16 the enactment of this Act, to have a peanut quota
17 established upon it;

18 (2) if there are not quotas currently established,
19 would be eligible to have a quota established upon
20 it for the succeeding crop year, in the absence of the
21 amendment made by subsection (a); or

22 (3) is otherwise a farm that was eligible for
23 such a quota at the time the general quota establish-
24 ment authority was repealed.

1 The Secretary shall apply this definition without regard
2 to temporary leases or transfers or quotas for seed or ex-
3 perimental purposes.

4 **Subtitle D—Administration**

5 **SEC. 181. ADMINISTRATION GENERALLY.**

6 (a) USE OF COMMODITY CREDIT CORPORATION.—

7 The Secretary shall carry out this title through the Com-
8 modity Credit Corporation.

9 (b) DETERMINATIONS BY SECRETARY.—A deter-
10 mination made by the Secretary under this title shall be
11 final and conclusive.

12 (c) REGULATIONS.—Not later than 90 days after the
13 date of the enactment of this Act, the Secretary and the
14 Commodity Credit Corporation, as appropriate, shall issue
15 such regulations as are necessary to implement this title.
16 The issuance of the regulations shall be made without re-
17 gard to—

18 (1) the notice and comment provisions of sec-
19 tion 553 of title 5, United States Code;

20 (2) the Statement of Policy of the Secretary of
21 Agriculture effective July 24, 1971 (36 Fed. Reg.
22 13804) relating to notices of proposed rulemaking
23 and public participation in rulemaking; and

1 (3) chapter 35 of title 44, United States Code
2 (commonly know as the “Paperwork Reduction
3 Act”).

4 (d) PROTECTION OF PRODUCERS.—The protection
5 afforded producers that elect the option to accelerate the
6 receipt of any payment under a production flexibility con-
7 tract payable under the Federal Agriculture Improvement
8 and Reform Act of 1996 (7 U.S.C. 7212 note) shall also
9 apply to the advance payment of fixed, decoupled pay-
10 ments and counter-cyclical payments.

11 **SEC. 182. EXTENSION OF SUSPENSION OF PERMANENT**
12 **PRICE SUPPORT AUTHORITY.**

13 (a) AGRICULTURAL ADJUSTMENT ACT OF 1938.—
14 Section 171(a)(1) of the Federal Agriculture Improvement
15 and Reform Act of 1996 (7 U.S.C. 7301(a)(1)) is amend-
16 ed by striking “2002” both places it appears and inserting
17 “2011”.

18 (b) AGRICULTURAL ACT OF 1949.—Section
19 171(b)(1) of the Federal Agriculture Improvement and
20 Reform Act of 1996 (7 U.S.C. 7301(b)(1)) is amended
21 by striking “2002” both places it appears and inserting
22 “2011”.

23 (c) SUSPENSION OF CERTAIN QUOTA PROVISIONS.—
24 Section 171(c) of the Federal Agriculture Improvement

1 and Reform Act of 1996 (7 U.S.C. 7301(c)) is amended
2 by striking “2002” and inserting “2011”.

3 **SEC. 183. LIMITATIONS.**

4 (a) **LIMITATION ON AMOUNTS RECEIVED.**—Section
5 1001 of the Food Security Act of 1985 (7 U.S.C. 1308)
6 is amended—

7 (1) in paragraph (1)—

8 (A) by striking “PAYMENTS UNDER PRO-
9 Duction FLEXIBILITY CONTRACTS” and insert-
10 ing “FIXED, DECOUPLED PAYMENTS”;

11 (B) by striking “contract payments made
12 under the Agricultural Market Transition Act
13 to a person under 1 or more production flexi-
14 bility contracts” and inserting “fixed, decoupled
15 payments made to a person”;

16 (C) by striking “4” and inserting “5”;

17 (2) in paragraphs (2) and (3)—

18 (A) by striking “payments specified” and
19 all that follows through “and oilseeds” and in-
20 serting “following payments that a person shall
21 be entitled to receive”;

22 (B) by striking the period at the end of
23 paragraph (2) and all that follows through “the
24 following” in paragraph (3);

1 (C) by striking “section 131” and all that
2 follows through “section 132” and inserting
3 “section 121 of the Agricultural Act of 2001
4 for a crop of any covered commodity at a lower
5 level than the original loan rate established for
6 the commodity under section 122”; and

7 (D) by striking “section 135” and insert-
8 ing “section 125”; and

9 (3) by inserting after paragraph (2) the fol-
10 lowing new paragraph (3):

11 “(3) LIMITATION ON COUNTER-CYCLICAL PAY-
12 MENTS.—The amount specified in paragraph (2) is
13 the limit on the total amount of counter-cyclical pay-
14 ments that a person may receive during any crop
15 year.”.

16 (b) DEFINITIONS.—Paragraph (4) of section 1001 of
17 the Food Security Act of 1985 (7 U.S.C. 1308) is amend-
18 ed to read as follows:

19 “(4) DEFINITIONS.—In this title, the terms
20 ‘covered commodity’, ‘counter-cyclical payment’, and
21 ‘fixed, decoupled payment’ have the meaning given
22 those terms in section 100 of the Agricultural Act
23 of 2001.”.

24 (c) TRANSITION.—Section 1001 of the Food Security
25 Act of 1985 (7 U.S.C. 1308), as in effect on the day before

1 the date of the enactment of this Act, shall continue to
2 apply with respect to fiscal year 2001 and the 2001 crop
3 of any covered commodity.

4 **SEC. 184. ADJUSTMENTS OF LOANS.**

5 Section 162(b) of the Federal Agriculture Improve-
6 ment and Reform Act of 1996 (7 U.S.C. 7282(b)) is
7 amended by striking “this title” and inserting “this title
8 and title I of the Agricultural Act of 2001”.

9 **SEC. 185. PERSONAL LIABILITY OF PRODUCERS FOR DEFICIENCIES.**

11 Section 164 of the Federal Agriculture Improvement
12 and Reform Act of 1996 (7 U.S.C. 7284) is amended by
13 striking “this title” both places it appears and inserting
14 “this title and title I of the Agricultural Act of 2001”.

15 **SEC. 186. EXTENSION OF EXISTING ADMINISTRATIVE AUTHORITY REGARDING LOANS.**

17 Section 166 of the Federal Agriculture Improvement
18 and Reform Act of 1996 (7 U.S.C. 7286) is amended by
19 striking “subtitle C” both places it appears and inserting
20 “subtitle C of this title and title I of the Agricultural Act
21 of 2001”.

22 **SEC. 187. ASSIGNMENT OF PAYMENTS.**

23 The provisions of section 8(g) of the Soil Conserva-
24 tion and Domestic Allotment Act (16 U.S.C. 590h(g)), re-
25 lating to assignment of payments, shall apply to payments

1 made under the authority of this Act. The producer mak-
 2 ing the assignment, or the assignee, shall provide the Sec-
 3 retary with notice, in such manner as the Secretary may
 4 require, of any assignment made under this section.

5 **TITLE II—CONSERVATION**

6 **Subtitle A—Definition**

7 **SEC. 201. DEFINITION OF AGRICULTURAL COMMODITY.**

8 Section 1201(a)(1) of the Food Security Act of 1985
 9 (16 U.S.C. 3801(a)(1)) is amended to read as follows:

10 “(1) AGRICULTURAL COMMODITY.—The term ‘agri-
 11 cultural commodity’ means any agricultural commodity
 12 planted or produced in a State.”.

13 **Subtitle B—Wetland Conservation** 14 **Program**

15 **SEC. 211. INELIGIBILITY FOR CERTAIN LOANS AND PAY-** 16 **MENTS.**

17 Section 1221(b) of the Food Security Act of 1985
 18 (16 U.S.C. 3821(b)) is amended by inserting “relating to
 19 any commodity produced during that crop year by such
 20 person” before “for which the person”.

1 **Subtitle C—Environmental Con-**
2 **servation Acreage Reserve Pro-**
3 **gram**

4 **SEC. 221. ELIMINATION OF GENERAL PROVISIONS.**

5 Chapter 1 of subtitle D of title XII of the Food Secu-
6 rity Act of 1985 is amended—

7 (1) by striking the heading for subchapter A;

8 (2) by striking section 1230 (16 U.S.C. 3830);

9 (3) in section 1230A (16 U.S.C. 3830a), by
10 striking “chapter” each place it appears and insert-
11 ing “title”;

12 (4) by redesignating section 1230A as section
13 1244; and

14 (5) by transferring section 1244 (as so redesign-
15 nated) to the end of subtitle E.

16 **Subtitle D—Conservation Reserve**
17 **Program**

18 **SEC. 231. REAUTHORIZATION.**

19 Section 1231 of the Food Security Act of 1985 (16
20 U.S.C. 3831) is amended in each of subsections (a),
21 (b)(3), and (d), by striking “2002” and inserting “2011”.

22 **SEC. 232. ENROLLMENT.**

23 (a) **ELIGIBILITY.**—Section 1231(b) of the Food Secu-
24 rity Act of 1985 (16 U.S.C. 3831(b)) is amended—

1 (1) by striking paragraphs (2) and (3) and in-
2 serting the following:

3 “(2) marginal pasturelands devoted to natural
4 vegetation in or near riparian areas or for similar
5 water quality purposes;”;

6 (2) in paragraph (4)—

7 (A) by striking subparagraph (A) and in-
8 serting the following:

9 “(A) if the Secretary determines that—

10 “(i) the lands contribute to the deg-
11 radation of soil, water, or air quality, or
12 would pose an on-site or off-site environ-
13 mental threat to soil, water, or air quality
14 if permitted to remain in agricultural pro-
15 duction; and

16 “(ii) soil, water, and air quality objec-
17 tives with respect to the land cannot be
18 achieved under the environmental quality
19 incentives program established under chap-
20 ter 4;”;

21 (B) by striking “or” at the end of subpara-
22 graph (C);

23 (C) by striking the period at the end of
24 subparagraph (D) and inserting “; or”; and

25 (D) by adding at the end the following:

1 “(E) if the Secretary determines that en-
2 rollment of such lands would contribute to con-
3 servation of ground or surface water.”; and

4 (3) by redesignating paragraph (4) as para-
5 graph (3).

6 (b) INCREASE IN MAXIMUM ENROLLMENT.—Section
7 1231(d) of such Act (16 U.S.C. 3831(d)) is amended by
8 striking “36,400,000” and inserting “40,000,000”.

9 (c) ELIGIBILITY ON CONTRACT EXPIRATION.—Sec-
10 tion 1231(f) of such Act (16 U.S.C. 3831(f)) is amended
11 to read as follows:

12 “(f) ELIGIBILITY ON CONTRACT EXPIRATION.—On
13 the expiration of a contract entered into under this sub-
14 chapter, the land subject to the contract shall be eligible
15 to be re-enrolled in the conservation reserve.”.

16 (d) BALANCE AMONG CONTRACTS AWARDED.—

17 (1) IN GENERAL.—Section 1231 of such Act
18 (16 U.S.C. 3831) is amended by adding at the end
19 the following:

20 “(i) BALANCE AMONG CONTRACTS AWARDED.—In
21 determining the acceptability of contract offers under this
22 subchapter, the Secretary shall balance conservation inter-
23 ests in soil erosion, water quality, and wildlife habitat.”.

24 (2) REGULATIONS.—Not later than 180 days
25 after the date of the enactment of this Act, the Sec-

1 retary of Agriculture shall issue final regulations im-
2 plementing section 1231(i) of the Food Security Act
3 of 1985, as added by paragraph (1) of this sub-
4 section.

5 **SEC. 233. DUTIES OF OWNERS AND OPERATORS.**

6 Section 1232 of the Food Security Act of 1985 (16
7 U.S.C. 3832) is amended—

8 (1) in subsection (a)—

9 (A) in paragraph (3), by inserting “as de-
10 scribed in section 1232(a)(7) or for other pur-
11 poses” before “as permitted”;

12 (B) in paragraph (4), by inserting “where
13 practicable, or maintain existing cover” before
14 “on such land”; and

15 (C) in paragraph (7), by striking “Sec-
16 retary—” and all that follows and inserting
17 “Secretary may permit—

18 “(A) managed grazing and limited haying,
19 in which case the Secretary shall reduce the
20 rental payment otherwise payable under the
21 contract by an amount commensurate with the
22 economic value of the activity;

23 “(B) wind turbines for the provision of
24 wind energy, whether or not commercial in na-
25 ture; and

1 “(C) land subject to the contract to be
2 harvested for recovery of biomass used in en-
3 ergy production, in which case the Secretary
4 shall reduce the rental payment otherwise pay-
5 able under the contract by an amount commen-
6 surate with the economic value of such activ-
7 ity;” and

8 (2) by striking subsections (c) and (d) and re-
9 designating subsection (e) as subsection (c).

10 **SEC. 234. DUTIES OF THE SECRETARY.**

11 Section 1233 of the Food Security Act of 1985 (16
12 U.S.C. 3833) is amended—

13 (1) in paragraph (1), by adding “and” at the
14 end;

15 (2) in paragraph (2), by striking “; and” and
16 inserting a period; and

17 (3) striking paragraph (3).

18 **SEC. 235. ACCEPTANCE OF CONTRACT OFFERS.**

19 Section 1234(c) of the Food Security Act of 1985 (16
20 U.S.C. 3834(c)) is amended by striking paragraph (3).

21 **SEC. 236. CONTRACTS.**

22 (a) IN GENERAL.—Section 1235 of the Food Security
23 Act of 1985 (16 U.S.C. 3835) is amended—

24 (1) in subsection (a)(1)—

1 (A) in subparagraph (A), by adding “or”
 2 at the end;

3 (B) by striking subparagraphs (B) and
 4 (C); and

5 (C) by redesignating subparagraph (D)
 6 and subparagraph (B).

7 (2) by adding at the end the following:

8 “(f) RESTORATION OF BASE.—On the expiration of
 9 a contract entered into under this subchapter, the Sec-
 10 retary shall restore the base, contract acreage, quota, or
 11 allotment history applicable to the land when the contract
 12 was entered into.”.

13 (b) CONSERVATION RESERVE PAYMENT.—Sub-
 14 chapter B of chapter 1 of subtitle D of title XII of such
 15 Act (16 U.S.C. 3831–3836) is amended by striking “rent-
 16 al payment” each place it appears and inserting “con-
 17 servation reserve payment”.

18 **Subtitle E—Wetlands Reserve** 19 **Program**

20 **SEC. 241. ENROLLMENT.**

21 (a) MAXIMUM.—Section 1237(b) of the Food Secu-
 22 rity Act of 1985 (16 U.S.C. 3837(b)) is amended by strik-
 23 ing paragraph (1) and inserting the following:

24 “(1) ANNUAL ENROLLMENT.—In addition to
 25 any acres enrolled in the wetlands reserve program

1 as of the end of a calendar year, the Secretary may
 2 in the succeeding calendar year enroll in the pro-
 3 gram a number of additional acres equal to—

4 “(A) if the succeeding calendar year is cal-
 5 endar year 2002, 150,000;

6 “(B) if the succeeding calendar year is a
 7 calendar year after calendar year 2002—

8 “(i) 150,000; plus

9 “(ii) the amount (if any) by which
 10 150,000, multiplied by the number of cal-
 11 endar years in the period that begins with
 12 calendar year 2002 and ends with the cal-
 13 endar year preceding such succeeding cal-
 14 endar year, exceeds the total number of
 15 acres added to the reserve during the pe-
 16 riod.”.

17 (b) METHODS.—Section 1237(b)(2) of such Act (16
 18 U.S.C. 3837(b)(2)) is amended to read as follows:

19 “(2) METHODS OF ENROLLMENT.—The Sec-
 20 retary shall enroll acreage into the wetlands reserve
 21 program through the use of easements, restoration
 22 cost share agreements, or both.”.

23 (c) ELIGIBILITY.—Section 1237 of such Act (16
 24 U.S.C. 3837) is amended by striking subsections (c), (d),
 25 and (e) and inserting the following:

1 “(c) PRIORITY.—For purposes of enrolling acreage in
 2 the wetlands reserve program, the Secretary shall give pri-
 3 ority to land that maximizes wetland functions and values.

4 “(d) INELIGIBLE LAND.—The Secretary may not ac-
 5 quire an easement under this chapter on land which is—

6 “(1) enrolled in the conservation reserve pro-
 7 gram established under subchapter B; or

8 “(2) subject to a contract under the environ-
 9 mental quality incentives program established by
 10 chapter 4.”.

11 (d) CONFORMING AMENDMENTS.—Section 1237 of
 12 such Act (16 U.S.C. 3837) is amended—

13 (1) by redesignating subsection (f) as sub-
 14 section (e); and

15 (2) by striking subsection (g).

16 **SEC. 242. EASEMENTS AND AGREEMENTS.**

17 Section 1237A of the Food Security Act of 1985 (16
 18 U.S.C. 3837a) is amended—

19 (1) in subsection (b), by striking paragraph (2)
 20 and inserting the following:

21 “(2) prohibits the alteration of wildlife habitat
 22 and other natural features of such land, unless spe-
 23 cifically permitted by the plan;”;

24 (2) in subsection (e), by striking paragraph (2)
 25 and inserting the following:

1 “(2) shall be consistent with applicable State
2 law.”;

3 (3) by striking subsections (c) and (h) and re-
4 designating subsections (d) through (g) as sub-
5 sections (c) through (f), respectively.

6 **SEC. 243. DUTIES OF THE SECRETARY.**

7 Section 1237C of the Food Security Act of 1985 (16
8 U.S.C. 3837c) is amended—

9 (1) in subsection (a)—

10 (A) by striking “shall—” and all that fol-
11 lows through “(1)” and inserting “shall”; and

12 (B) by striking “interest;” and all that fol-
13 lows and inserting “interest.”; and

14 (2) by striking subsection (d).

15 **SEC. 244. PAYMENT LIMITATION.**

16 Section 1237D(c)(1) of the Food Security Act of
17 1985 (16 U.S.C. 3837d(c)(1)) is amended by striking
18 “easement payments” and inserting “payments”.

19 **SEC. 245. CHANGES IN OWNERSHIP; AGREEMENT MODI-
20 FICATION; TERMINATION.**

21 Section 1237E(a) of the Food Security Act of 1985
22 (16 U.S.C. 3837e(a)) is amended to read as follows:

23 “(a) LIMITATIONS.—No easement shall be created
24 under this subchapter on land that has changed ownership
25 in the preceding 12 months unless—

1 “(1) the new ownership was acquired by will or
2 succession as a result of the death of the previous
3 owner; or

4 “(2) the ownership change occurred due to fore-
5 closure on the land and the owner of the land imme-
6 diately before the foreclosure exercises a right of re-
7 demption from the mortgage holder in accordance
8 with State law.”.

9 **Subtitle F—Environmental Quality** 10 **Incentives Program**

11 **SEC. 251. PURPOSES.**

12 Section 1240 of the Food Security Act of 1985 (16
13 U.S.C. 3839aa) is amended—

14 (1) by striking “to—” and all that follows
15 through “provides—” and inserting “provide—”;

16 (2) by striking “that face the most serious
17 threats to” and inserting “to address environmental
18 needs and provide benefits to air,”;

19 (3) by redesignating the subparagraphs (A)
20 through (D) that follow the matter amended by
21 paragraph (2) of this section as paragraphs (1)
22 through (4), respectively;

23 (4) by moving each of such redesignated
24 provisions 2 ems to the left; and

1 (5) by striking “farmers and ranchers”
 2 each place it appears and inserting “pro-
 3 ducers”.

4 **SEC. 252. DEFINITIONS.**

5 Section 1240A of the Food Security Act of 1985 (16
 6 U.S.C. 3839aa–1) is amended—

7 (1) in paragraph (1)—

8 (A) by inserting “non-industrial private
 9 forest land,” before “and other land”; and

10 (B) by striking “poses a serious threat”
 11 and all that follows and inserting “provides in-
 12 creased environmental benefits to air, soil,
 13 water, or related resources.”;

14 (2) in paragraph (4), by inserting “, including
 15 non-industrial private forestry” before the period;
 16 and

17 (3) in paragraph (5), by striking “permanent
 18 wildlife habitat,”.

19 **SEC. 253. ESTABLISHMENT AND ADMINISTRATION.**

20 (a) REAUTHORIZATION.—Section 1240B(a)(1) of the
 21 Food Security Act of 1985 (16 U.S.C. 3839aa–2(a)(1))
 22 is amended by striking “2002” and inserting “2011”.

23 (b) TERM OF CONTRACTS.—Section 1240B(b)(2) of
 24 such Act (16 U.S.C. 3839aa–2(b)(2)) is amended by strik-

1 ing “not less than 5, nor more than 10, years” and insert-
2 ing “not less than 1 year, nor more than 10 years”.

3 (c) STRUCTURAL PRACTICES.—Section
4 1240B(c)(1)(B) of such Act (16 U.S.C. 3839aa-
5 2(c)(1)(B)) is amended to read as follows:

6 “(B) achieving the purposes established
7 under this subtitle.”.

8 (d) ELIMINATION OF CERTAIN LIMITATIONS ON ELI-
9 GIBILITY FOR COST-SHARE PAYMENTS.—Section
10 1240B(e)(1) of such Act (16 U.S.C. 3839aa-2(e)(1)) is
11 amended—

12 (1) by striking subparagraph (B) and redesignig-
13 nating subparagraph (C) as subparagraph (B); and

14 (2) in subparagraph (B) (as so redesignated),
15 by striking “or 3”.

16 (e) INCENTIVE PAYMENTS.—Section 1240B of such
17 Act (16 U.S.C. 3839aa-2) is amended—

18 (1) in subsection (e)—

19 (A) in the subsection heading, by striking
20 “, INCENTIVE PAYMENTS,”; and

21 (B) by striking paragraph (2); and

22 (2) by redesignating subsection (f) as sub-
23 section (g) and inserting after subsection (e) the fol-
24 lowing:

1 “(f) FARMLAND CONSERVATION INCENTIVE PAY-
2 MENTS.—

3 “(1) IN GENERAL.—The Secretary may make
4 incentive payments in an amount and at a rate de-
5 termined by the Secretary to be necessary to encour-
6 age a producer to perform multiple land manage-
7 ment practices and to promote the enhancement of
8 soil, water, air, and related resources.

9 “(2) SPECIAL RULE.—In determining the
10 amount and rate of incentive payments, the Sec-
11 retary may accord great weight to those practices
12 that include residue, nutrient, pest, invasive species,
13 and air quality management.”.

14 **SEC. 254. EVALUATION OF OFFERS AND PAYMENTS.**

15 Section 1240C of the Food Security Act of 1985 (16
16 U.S.C. 3839aa–3) is amended by striking paragraphs (1)
17 through (3) and inserting the following:

18 “(1) aid farmers and ranchers in complying
19 with this title and Federal and State environmental
20 laws, and encourage environmental enhancement and
21 conservation; and

22 “(2) maximize the beneficial usage of animal
23 manure and other similar soil amendments which
24 improve soil health, tilth, and water-holding capac-
25 ity.”.

1 **SEC. 255. DUTIES OF PRODUCERS.**

2 Section 1240D of the Food Security Act of 1985 (16
3 U.S.C. 3839aa–4) is amended by striking paragraph (2)
4 and redesignating paragraphs (3) through (6) as para-
5 graphs (2) through (5), respectively.

6 **SEC. 256. ENVIRONMENTAL QUALITY INCENTIVES PRO-**
7 **GRAM PLAN.**

8 Section 1240E(a) of the Food Security Act of 1985
9 (16 U.S.C. 3839aa–5(a)) is amended by striking “that in-
10 corporates such conservation practices” and all that fol-
11 lows and inserting “that provides or will continue to pro-
12 vide increased environmental benefits to air, soil, water,
13 or related resources.”.

14 **SEC. 257. DUTIES OF THE SECRETARY.**

15 Section 1240F of the Food Security Act of 1985 (16
16 U.S.C. 3839aa–6) is amended by striking paragraphs (2)
17 and (3) and redesignating paragraphs (4) and (5) as para-
18 graphs (2) and (3), respectively.

19 **SEC. 258. LIMITATION ON PAYMENTS.**

20 Section 1240G of the Food Security Act of 1985 (16
21 U.S.C. 3839aa–7) is amended—

22 (1) in subsection (a)—

23 (A) in paragraph (1), by striking
24 “\$10,000” and inserting “\$50,000”; and

25 (B) in paragraph (2), by striking
26 “\$50,000” and inserting “\$200,000”;

1 (2) in subsection (b), by striking “the maxi-
 2 mization of environmental benefits per dollar ex-
 3 pended and”; and

4 (3) by striking subsection (c).

5 **SEC. 259. GROUNDWATER CONSERVATION.**

6 Section 1240H of the Food Security Act of 1985 (16
 7 U.S.C. 3839aa–8) is amended to read as follows:

8 **“SEC. 1240H. GROUNDWATER CONSERVATION.**

9 “The Secretary may use \$67,500,000 of the funds
 10 of the Commodity Credit Corporation in each of fiscal
 11 years 2002 through 2011 to provide cost-share payments
 12 and low-interest loans to encourage groundwater conserva-
 13 tion, including irrigation system improvement, and to pro-
 14 vide incentive payments for capping wells, reducing use
 15 of water for irrigation, and switching from irrigation to
 16 dryland farming.”.

17 **Subtitle G—Funding and**
 18 **Administration**

19 **SEC. 261. REAUTHORIZATION.**

20 Section 1241(a) of the Food Security Act of 1985
 21 (16 U.S.C. 3841(a)) is amended by striking “2002” and
 22 inserting “2011”.

23 **SEC. 262. FUNDING.**

24 Section 1241(b)(1) of the Food Security Act of 1985
 25 (16 U.S.C. 3841(b)(1)) is amended—

1 (1) by striking “and” the 1st place it appears;

2 (2) by striking “\$130,000,000” and all that fol-

3 lows through “2002” and inserting “\$200,000,000

4 for fiscal year 2001, and \$1,200,000,000 for each of

5 fiscal years 2002 through 2011”.

6 **SEC. 263. ALLOCATION FOR LIVESTOCK PRODUCTION.**

7 Section 1241(b)(2) of the Food Security Act of 1985

8 (16 U.S.C. 3841(b)(2)) is amended by striking “2002”

9 and inserting “2011”.

10 **SEC. 264. USE OF OTHER AGENCIES.**

11 Section 1242(a) of the Food Security Act of 1985

12 (16 U.S.C. 3842(a)) is amended to read as follows:

13 “(a) PRINCIPAL AGENCY.—The Secretary shall use

14 the Farm Service Agency in carrying out subtitles B and

15 C, and subchapter B of chapter 1, and chapters 2 and

16 4, of subtitle D.”.

17 **SEC. 265. ADMINISTRATION AND TECHNICAL ASSISTANCE.**

18 (a) BROADENING OF EXCEPTION TO ACREAGE LIM-

19 ITATION.—Section 1243(b)(2) of the Food Security Act of

20 1985 (16 U.S.C. 3843(b)(2)) is amended by striking

21 “that—” and all that follows and inserting “that the ac-

22 tion would not adversely affect the local economy of the

23 county.”.

24 (b) RULES GOVERNING PROVISION OF TECHNICAL

25 ASSISTANCE.—Section 1243(d) of the Food Security Act

1 of 1985 (16 U.S.C. 3843(d)) is amended to read as fol-
2 lows:

3 “(d) RULES GOVERNING PROVISION OF TECHNICAL
4 ASSISTANCE.—

5 “(1) IN GENERAL.—The Secretary shall provide
6 technical assistance under this title to a producer el-
7 igible for such assistance, by providing the assist-
8 ance directly or, at the option of the producer,
9 through an approved third party if available.

10 “(2) AMOUNT.—The Secretary shall determine
11 the amount of technical assistance to be provided to
12 a producer under this title, and on making the de-
13 termination, shall make the amount available to—

14 “(A) if the producer has selected an ap-
15 proved third party to provide the assistance,
16 such approved third party; or

17 “(B) otherwise, the Natural Resources
18 Conservation Service.

19 “(3) FUNDING SOURCE; LIMITATION.—

20 “(A) USE OF CCC FUNDS.—Subject to sub-
21 paragraph (B), the Secretary may use not more
22 than \$100,000,000 of funds of the Commodity
23 Credit Corporation for each of fiscal years 2002
24 through 2011 to carry out this subsection.

1 “(B) LIMITATION.—The total amount ex-
2 pended under this subsection for fiscal years
3 2002 through 2011 may not exceed
4 \$850,000,000.

5 “(4) CERTIFICATION OF THIRD-PARTY PRO-
6 VIDERS.—

7 “(A) IN GENERAL.—Not later than 6
8 months after the date of the enactment of this
9 Act, the Secretary of Agriculture shall, by regu-
10 lation, establish a system for approving persons
11 to provide technical assistance pursuant to this
12 title. In the system, the Secretary shall give pri-
13 ority to a person who has a memorandum of
14 understanding regarding the provision of tech-
15 nical assistance in place with the Secretary be-
16 fore the date of the enactment of this sub-
17 section.

18 “(B) EXPERTISE REQUIRED.—In pre-
19 scribing such regulations, the Secretary shall
20 ensure that persons with expertise in the tech-
21 nical aspects of conservation planning, water-
22 shed planning, environmental engineering, in-
23 cluding commercial entities, nonprofit entities,
24 State or local governments or agencies, and
25 other Federal agencies, are eligible to become

1 approved providers of such technical assist-
2 ance.”.

3 (b) CONFORMING AMENDMENTS.—

4 (1) HIGHLY ERODIBLE LAND CONSERVATION.—

5 Section 1213(e) of such Act (16 U.S.C. 3812a(e)) is
6 amended to read as follows:

7 “(e) TECHNICAL ASSISTANCE.—A producer who is
8 receiving a benefit under this subtitle shall be eligible to
9 receive technical assistance in accordance with section
10 1243(d) throughout the development, revision, and appli-
11 cation of the conservation plan and any conservation sys-
12 tem of the producer.”.

13 (2) CONSERVATION RESERVE PROGRAM.—Sec-
14 tion 1233 of such Act (16 U.S.C. 3833) is
15 amended—

16 (A) by inserting “(a) IN GENERAL.—” be-
17 fore “In return”;

18 (B) by adding “and” at the end of para-
19 graph (1);

20 (C) by striking “; and” at the end of para-
21 graph (2)(B) and inserting a period;

22 (D) by striking paragraph (3); and

23 (E) by adding after and below the end the
24 following:

1 “(b) TECHNICAL ASSISTANCE.—An owner or oper-
 2 ator who is receiving a benefit under this subtitle shall
 3 be eligible to receive technical assistance in accordance
 4 with section 1243(d) to assist the owner or operator in
 5 carrying out a contract entered into under section 1232.”.

6 (3) WETLANDS RESERVE PROGRAM.—Section
 7 1237C(b) of such Act (16 U.S.C. 3837c(b)) is
 8 amended—

9 (A) in the subsection heading, by striking
 10 “AND TECHNICAL ASSISTANCE”; and

11 (B) by striking paragraph (3) and insert-
 12 ing the following:

13 “(2) TECHNICAL ASSISTANCE.—A producer who
 14 is receiving a benefit under this subtitle shall be eli-
 15 gible to receive technical assistance in accordance
 16 with section 1243(d) to assist the producer in com-
 17 plying with the terms of easements and restoration
 18 cost share agreements under this subchapter.”.

19 (4) ENVIRONMENTAL QUALITY INCENTIVES
 20 PROGRAM.—

21 (A) IN GENERAL.—Section 1240B of such
 22 Act (16 U.S.C. 3839aa-2) is amended—

23 (i) in subsection (a)(1), by striking
 24 “technical assistance,”; and

25 (ii) in subsection (e)—

1 (I) in the subsection heading, by
2 striking “AND TECHNICAL ASSIST-
3 ANCE”; and

4 (II) by striking paragraph (3)
5 and inserting the following:

6 “(2) TECHNICAL ASSISTANCE.—A producer who
7 is receiving a benefit under this subtitle shall be eli-
8 gible to receive technical assistance in accordance
9 with section 1243(d) to assist the producer in writ-
10 ing and developing proposals and plans for contracts
11 under this chapter, and in the implementation of
12 structural practices and land management practices
13 covered by such contracts.”.

14 (B) CONFORMING AMENDMENTS.—Section
15 1241(b) of such Act (16 U.S.C. 3841(b)) is
16 amended—

17 (i) in paragraph (1), by striking
18 “technical assistance,”; and

19 (ii) in paragraph (2), by striking
20 “technical assistance” and all that follows
21 through “education” and inserting “cost-
22 share payments and incentive payments”.

1 **Subtitle H—Other Programs**

2 **SEC. 271. WILDLIFE HABITAT INCENTIVES PROGRAM.**

3 Section 387(c) of the Federal Agriculture Improve-
4 ment and Reform Act of 1996 (16 U.S.C. 3836a(c)) is
5 amended to read as follows:

6 “(c) FUNDING.—To carry out this section, there shall
7 be made available \$25,000,000 for each of fiscal years
8 2002 through 2011, from funds made available from the
9 Commodity Credit Corporation.”.

10 **SEC. 272. FARMLAND PROTECTION PROGRAM.**

11 Section 388 of the Federal Agriculture Improvement
12 and Reform Act of 1996 (16 U.S.C. 3830 note) is amend-
13 ed to read as follows:

14 “(c) FUNDING.—The Secretary shall use not more
15 than \$50,000,000 of the funds of the Commodity Credit
16 Corporation in each of fiscal years 2002 through 2011 to
17 carry out this section.”.

18 **SEC. 273. RESOURCE CONSERVATION AND DEVELOPMENT**
19 **PROGRAM.**

20 (a) PURPOSE.—Section 1528 of the Agriculture and
21 Food Act of 1981 (16 U.S.C. 3451) is amended—

22 (1) by striking the section heading and all that
23 follows through “SEC. 1528. It is the purpose” and
24 inserting the following:

1 **“SEC. 1528. STATEMENT OF PURPOSE.**

2 “It is the purpose”; and

3 (2) by inserting “through designated RC&D
4 councils” before “in rural areas”.

5 (b) DEFINITIONS.—Section 1529 of such Act (16
6 U.S.C. 3452) is amended—

7 (1) by striking the section heading and all that
8 follows through “SEC. 1529. As used in this sub-
9 title—” and inserting the following:

10 **“SEC. 1529. DEFINITIONS.**

11 “In this title:”;

12 (2) in paragraph (1)—

13 (A) in the matter preceding subparagraph

14 (A), by inserting “RC&D council” before “area
15 plan”;

16 (B) in subparagraph (B), by striking
17 “through control of nonpoint sources of pollu-
18 tion”;

19 (C) in subparagraph (C)—

20 (i) by striking “natural resources
21 based” and inserting “resource-based”;

22 (ii) by striking “development of aqua-
23 culture,”;

24 (iii) by striking “and satisfaction”
25 and inserting “satisfaction”; and

1 (iv) by inserting “food security, eco-
2 nomic development, and education” before
3 the semicolon; and

4 (D) in subparagraph (D), by striking
5 “other” and inserting “land management”;

6 (3) in paragraph (3), by striking “any State,
7 local unit of government, or local nonprofit organiza-
8 tion” and inserting “the designated RC&D council”;
9 (4) by striking paragraphs (4) through (6) and
10 inserting the following:

11 “(4)(A) The term ‘financial assistance’ means
12 the Secretary may—

13 “(i) provide funds directly to RC&D coun-
14 cils or associations of RC&D councils through
15 grants, cooperative agreements, and interagency
16 agreements that directly implement RC&D area
17 plans; and

18 “(ii) may join with other federal agencies
19 through interagency agreements and other ar-
20 rangements as needed to carry out the pro-
21 gram’s purpose.

22 “(B) Funds may be used for such things as—

23 “(i) technical assistance;

1 “(ii) financial assistance in the form of
2 grants for planning, analysis and feasibility
3 studies, and business plans;

4 “(iii) training and education; and

5 “(iv) all costs associated with making such
6 services available to RC&D councils or RC&D
7 associations.

8 “(5) The term ‘RC&D council’ means the re-
9 sponsible leadership of the RC&D area. RC&D coun-
10 cils and associations are non-profit entities whose
11 members are volunteers and include local civic and
12 elected officials. Affiliations of RC&D councils are
13 formed in states and regions.”;

14 (5) in paragraph (8), by inserting “and feder-
15 ally recognized Indian tribes” before the period;

16 (6) in paragraph (9), by striking “works of im-
17 provement” and inserting “projects”;

18 (7) by redesignating paragraphs (7) through
19 (9) as paragraphs (6) through (8), respectively; and

20 (8) by striking paragraph (10) and inserting
21 the following:

22 “(9) The term ‘project’ means any action taken
23 by a designated RC&D council that achieves any of
24 the elements identified under paragraph (1).”.

1 (c) ESTABLISHMENT AND SCOPE.—Section 1530 of
2 such Act (16 U.S.C. 3453) is amended—

3 (1) by striking the section heading and all that
4 follows through “SEC. 1530. The Secretary” and in-
5 serting the following:

6 **“SEC. 1530. ESTABLISHMENT AND SCOPE.**

7 **“The Secretary”; and**

8 (2) by striking “the technical and financial as-
9 sistance necessary to permit such States, local units
10 of government, and local nonprofit organizations”
11 and inserting “through designated RC&D councils
12 the technical and financial assistance necessary to
13 permit such RC&D Councils”.

14 (d) SELECTION OF DESIGNATED AREAS.—Section
15 1531 of such Act (16 U.S.C. 3454) is amended by striking
16 the section heading and all that follows through “SEC.
17 1531. The Secretary” and inserting the following:

18 **“SEC. 1531. SELECTION OF DESIGNATED AREAS.**

19 **“The Secretary”.**

20 (e) AUTHORITY OF SECRETARY.—Section 1532 of
21 such Act (16 U.S.C. 3455) is amended—

22 (1) by striking the section heading and all that
23 follows through “SEC. 1532. In carrying” and in-
24 serting the following:

1 **“SEC. 1532. AUTHORITY OF SECRETARY.**

2 “In carrying”;

3 (2) in each of paragraphs (1) and (3)—

4 (A) by striking “State, local unit of gov-
5 ernment, or local nonprofit organization” and
6 inserting “RC&D council”; and

7 (B) by inserting “RC&D council” before
8 “area plan”;

9 (3) in paragraph (2), by inserting “RC&D
10 council” before “area plans”; and

11 (4) in paragraph (4), by striking “States, local
12 units of government, and local nonprofit organiza-
13 tions” and inserting “RC&D councils or affiliations
14 of RC&D councils”.

15 (f) **TECHNICAL AND FINANCIAL ASSISTANCE.**—Sec-
16 tion 1533 of such Act (16 U.S.C. 3456) is amended—

17 (1) by striking the section heading and all that
18 follows through “SEC. 1533. (a) Technical” and in-
19 serting the following:

20 **“SEC. 1533. TECHNICAL AND FINANCIAL ASSISTANCE.**

21 “(a) Technical”;

22 (2) in subsection (a)—

23 (A) by striking “State, local unit of gov-
24 ernment, or local nonprofit organization to as-
25 sist in carrying out works of improvement spec-
26 ified in an” and inserting “RC&D councils or

1 affiliations of RC&D councils to assist in car-
2 rying out a project specified in a RC&D coun-
3 cil”;

4 (B) in paragraph (1)—

5 (i) by striking “State, local unit of
6 government, or local nonprofit organiza-
7 tion” and inserting “RC&D council or af-
8 filiate”; and

9 (ii) by striking “works of improve-
10 ment” each place it appears and inserting
11 “project”;

12 (C) in paragraph (2)—

13 (i) by striking “works of improve-
14 ment” and inserting “project”; and

15 (ii) by striking “State, local unit of
16 government, or local nonprofit organiza-
17 tion” and inserting “RC&D council”;

18 (D) in paragraph (3), by striking “works
19 of improvement” and all that follows and in-
20 serting “project concerned is necessary to ac-
21 complish and RC&D council area plan objec-
22 tive”;

23 (E) in paragraph (4), by striking “the
24 works of improvement provided for in the” and

1 inserting “the project provided for in the RC&D
2 council”;

3 (F) in paragraph (5), by inserting “feder-
4 ally recognized Indian tribe” before “or local”
5 each place it appears; and

6 (G) in paragraph (6), by inserting “RC&D
7 council” before “area plan”;

8 (3) in subsection (b), by striking “works of im-
9 provement” and inserting “project”; and

10 (4) in subsection (c), by striking “any State,
11 local unit of government, or local nonprofit organiza-
12 tion to carry out any” and inserting “RC&D council
13 to carry out any RC&D council”.

14 (g) RESOURCE CONSERVATION AND DEVELOPMENT
15 POLICY BOARD.—Section 1534(b) of such Act (16 U.S.C.
16 3457(b)) is amended—

17 (1) by striking the section heading and all that
18 follows through “SEC. 1534. (a) The Secretary” and
19 inserting the following:

20 **“SEC. 1534. RESOURCE CONSERVATION AND DEVELOP-**
21 **MENT POLICY BOARD.**

22 “(a) The Secretary”; and

23 (2) by striking “seven”.

24 (h) PROGRAM EVALUATION.—Section 1535 of such
25 Act (16 U.S.C. 3458) is amended—

1 (1) by striking the section heading and all that
2 follows through “SEC. 1535. The Secretary” and in-
3 serting the following:

4 **“SEC. 1535. PROGRAM EVALUATION.**

5 “The Secretary”;

6 (2) by inserting “with assistance from RC&D
7 councils” before “provided”;

8 (3) by inserting “federally recognized Indian
9 tribes,” before “local units”; and

10 (4) by striking “1986” and inserting “2007”.

11 (i) LIMITATION ON ASSISTANCE.—Section 1536 of
12 such Act (16 U.S.C. 3458) is amended by striking the sec-
13 tion heading and all that follows through “SEC. 1536. The
14 program” and inserting the following:

15 **“SEC. 1536. LIMITATION ON ASSISTANCE.**

16 “The program”.

17 (j) SUPPLEMENTAL AUTHORITY OF THE SEC-
18 RETARY.—Section 1537 of such Act (16 U.S.C. 3460) is
19 amended—

20 (1) by striking the section heading and all that
21 follows through “SEC. 1537. The authority” and in-
22 serting the following:

23 **“SEC. 1537. SUPPLEMENTAL AUTHORITY OF SECRETARY.**

24 “The authority”; and

1 (2) by striking “States, local units of govern-
 2 ment, and local nonprofit organizations” and insert-
 3 ing “RC&D councils”.

4 (k) AUTHORIZATION OF APPROPRIATIONS.—Section
 5 1538 of such Act (16 U.S.C. 3461) is amended—

6 (1) by striking the section heading and all that
 7 follows through “SEC. 1538. There are” and insert-
 8 ing the following:

9 **“SEC. 1537. AUTHORIZATION OF APPROPRIATIONS.**

10 “‘There are’; and

11 (2) by striking “for each of the fiscal years
 12 1996 through 2002”.

13 **SEC. 274. GRASSLAND RESERVE PROGRAM.**

14 Chapter 1 of subtitle D of title XII of the Food Secu-
 15 rity Act of 1985 (16 U.S.C. 3830–3837f) is amended by
 16 adding at the end the following:

17 **“Subchapter D—Grassland Reserve Program**

18 **“SEC. 1238. GRASSLAND RESERVE PROGRAM.**

19 “(a) ESTABLISHMENT.—The Secretary, acting
 20 through the Farm Service Agency, shall establish a grass-
 21 land reserve program (referred to in this subchapter as
 22 the ‘program’) to assist owners in restoring and con-
 23 serving eligible land described in subsection (c).

24 “(b) ENROLLMENT CONDITIONS.—

1 “(1) MAXIMUM ENROLLMENT.—The total num-
2 ber of acres enrolled in the program shall not exceed
3 2,000,000 acres, not more than 1,000,000 of which
4 shall be restored grassland, and not more than
5 1,000,000 of which shall be virgin (never cultivated)
6 grassland.

7 “(2) METHODS OF ENROLLMENT.—The Sec-
8 retary shall enroll in the program for a willing owner
9 not less than 100 contiguous acres of land west of
10 the 90th meridian or not less than 50 contiguous
11 acres of land east of the 90th meridian through 10-
12 year, 15-year, or 20-year contracts.

13 “(c) ELIGIBLE LAND.—Land shall be eligible to be
14 enrolled in the program if the Secretary determines that—

15 “(1) the land is natural grass or shrubland; or

16 “(2) the land—

17 “(A) is located in an area that has been
18 historically dominated by natural grass or
19 shrubland; and

20 “(B) has potential to serve as habitat for
21 animal or plant populations of significant eco-
22 logical value if the land is restored to natural
23 grass or shrubland.

1 **“SEC. 1238A. CONTRACTS AND AGREEMENTS.**

2 “(a) REQUIREMENTS OF LANDOWNER.—To be eligi-
3 ble to enroll land in the program, the owner of the land
4 shall—

5 “(1) agree to comply with the terms of the con-
6 tract and related restoration agreements; and

7 “(2) agree to the suspension of any existing
8 cropland base and allotment history for the land
9 under any program administered by the Secretary.

10 “(b) TERMS OF CONTRACT.—A contract under sub-
11 section (a) shall—

12 “(1) permit—

13 “(A) common grazing practices on the land
14 in a manner that is consistent with maintaining
15 the viability of natural grass and shrub species
16 indigenous to that locality;

17 “(B) haying, mowing, or haying for seed
18 production, except that such uses shall not be
19 permitted until after the end of the nesting sea-
20 son for birds in the local area which are in sig-
21 nificant decline or are conserved pursuant to
22 State or Federal law, as determined by the Nat-
23 ural Resources Conservation Service State con-
24 servationist; and

1 “(C) construction of fire breaks and
2 fences, including placement of the posts nec-
3 essary for fences;

4 “(2) prohibit—

5 “(A) the production of row-crops, fruit
6 trees, vineyards, or any other agricultural com-
7 modity that requires breaking the soil surface;
8 and

9 “(B) the conduct of any other activities
10 that would disturb the surface of the land cov-
11 ered by the contract, including—

12 “(i) plowing; and

13 “(ii) disking; and

14 “(3) include such additional provisions as the
15 Secretary determines are appropriate to carry out or
16 facilitate the administration of this subchapter.

17 “(c) RANKING CONTRACT APPLICATIONS.—

18 “(1) ESTABLISHMENT OF CRITERIA.—The Sec-
19 retary shall establish criteria to evaluate and rank
20 applications for contracts under this subchapter.

21 “(2) EMPHASIS.—In establishing the criteria,
22 the Secretary shall emphasize support for native
23 grass and shrubland, grazing operations, and plant
24 and animal biodiversity.

1 “(d) RESTORATION AGREEMENTS.—The Secretary
2 shall prescribe the terms by which grassland that is sub-
3 ject to a contract under the program shall be restored.
4 The agreement shall include duties of the land owner and
5 the Secretary, including the Federal share of restoration
6 payments and technical assistance.

7 “(e) VIOLATIONS.—On the violation of the terms or
8 conditions of a contract or restoration agreement entered
9 into under this section—

10 “(1) the contract shall remain in force; and

11 “(2) the Secretary may require the owner to re-
12 fund all or part of any payments received by the
13 owner under this subchapter, with interest on the
14 payments as determined appropriate by the Sec-
15 retary.

16 **“SEC. 1238B. DUTIES OF SECRETARY.**

17 “(a) IN GENERAL.—In return for the granting of a
18 contract by an owner under this subchapter, the Secretary
19 shall make contract payments and payments of the Fed-
20 eral share of restoration and provide technical assistance
21 to the owner in accordance with this section.

22 “(b) CONTRACT PAYMENTS.—In return for the
23 granting of contract by an owner under this subchapter,
24 the Secretary shall make annual contract payments to the

1 owner in an amount that is not more than 75 percent of
2 the grazing value of the land.

3 “(c) FEDERAL SHARE OF RESTORATION.—The Sec-
4 retary shall make payments to the owner of not more
5 than—

6 “(1) in the case of virgin (never cultivated)
7 grassland, 90 percent of the costs of carrying out
8 measures and practices necessary to restore grass-
9 land functions and values; or

10 “(2) in the case of restored grassland, 75 per-
11 cent of such costs.

12 “(d) TECHNICAL ASSISTANCE.—A landowner who is
13 receiving a benefit under this subchapter shall be eligible
14 to receive technical assistance in accordance with section
15 1243(d) to assist the owner or operator in carrying out
16 a contract entered into under this subchapter.

17 “(e) PAYMENTS TO OTHERS.—If an owner who is en-
18 titled to a payment under this subchapter dies, becomes
19 incompetent, is otherwise unable to receive the payment,
20 or is succeeded by another person who renders or com-
21 pletes the required performance, the Secretary shall make
22 the payment, in accordance with regulations promulgated
23 by the Secretary and without regard to any other provision
24 of law, in such manner as the Secretary determines is fair
25 and reasonable in light of all the circumstances.”.

1 **SEC. 275. FARMLAND STEWARDSHIP PROGRAM.**

2 Subtitle D of title XII of the Food Security Act of
3 1985 (16 U.S.C. 3830–3839bb) is amended by inserting
4 after chapter 1 (and the matter added by section 274 of
5 this Act) the following:

6 **“CHAPTER 2—FARMLAND STEWARDSHIP**
7 **PROGRAM**

8 **“SEC. 1239. DEFINITIONS.**

9 “In this chapter:

10 “(1) AGREEMENT.—The terms ‘farmland stew-
11 ardship agreement’ and ‘agreement’ mean a stew-
12 ardship contract authorized by this chapter.

13 “(2) CONTRACTING AGENCY.—The term ‘con-
14 tracting agency’ means a local conservation district,
15 resource conservation and development district, local
16 office of the Department of Agriculture, other par-
17 ticipating government agency, or other nongovern-
18 mental organization that is designated by the Sec-
19 retary to enter into farmland stewardship agree-
20 ments on behalf of the Secretary.

21 “(3) ELIGIBLE AGRICULTURAL LANDS.—The
22 term ‘eligible agricultural lands’ means private lands
23 that are in primarily native or natural condition or
24 are classified as cropland, pastureland, grazing
25 lands, timberlands, or other lands as specified by the
26 Secretary that—

1 “(A) contain wildlife habitat, wetlands, or
2 other natural resources; or

3 “(B) provide benefits to the public at
4 large, such as—

5 “(i) conservation of soil, water, and
6 related resources;

7 “(ii) water quality protection or im-
8 provement;

9 “(iii) control of invasive and exotic
10 species;

11 “(iv) wetland restoration, protection,
12 and creation; and

13 “(v) wildlife habitat development and
14 protection;

15 “(vi) preservation of open spaces, or
16 prime, unique, or other productive farm
17 lands; and

18 “(vii) and other similar conservation
19 purposes.

20 “(4) FARMLAND STEWARDSHIP PROGRAM; PRO-
21 GRAM.—The terms ‘Farmland Stewardship Pro-
22 gram’ and ‘Program’ mean the conservation pro-
23 gram of the Department of Agriculture established
24 by this chapter.

1 **“SEC. 1239A. ESTABLISHMENT AND PURPOSE OF PROGRAM.**

2 “(a) ESTABLISHMENT.—The Secretary shall estab-
3 lish a conservation program of the Department of Agri-
4 culture, to be known as the Farmland Stewardship Pro-
5 gram, that is designed to more precisely tailor and target
6 existing conservation programs to the specific conservation
7 needs and opportunities presented by individual parcels of
8 eligible agricultural lands.

9 “(b) RELATION TO OTHER CONSERVATION PRO-
10 GRAMS.—Under the Farmland Stewardship Program, the
11 Secretary may implement, or combine together, the fea-
12 tures of—

13 “(1) the Wetlands Reserve Program;

14 “(2) the Wildlife Habitat Incentives Program;

15 “(3) the Forest Land Enhancement Program;

16 “(4) the Farmland Protection Program; or

17 “(5) other conservation programs administered
18 by other Federal agencies and State and local gov-
19 ernment entities, where feasible and with the con-
20 sent of the administering agency or government.

21 “(c) FUNDING SOURCES.—

22 “(1) IN GENERAL.—The Farmland Stewardship
23 Program and agreements under the Program shall
24 be funded by the Secretary using—

25 “(A) the funding authorities of the con-
26 servation programs that are implemented in

1 whole, or in part, through the use of agree-
2 ments or easements; and

3 “(B) such funds as are provided to carry
4 out the programs specified in paragraphs (1)
5 through (4) of subsection (b).

6 “(2) COST-SHARING.—It shall be a requirement
7 of the Farmland Stewardship Program that the ma-
8 jority of the funds to carry out the Program must
9 come from other existing conservation programs,
10 which may be Federal, State, regional, local, or pri-
11 vate, that are combined into and made a part of an
12 agreement, or from matching funding contributions
13 made by State, regional, or local agencies and divi-
14 sions of government or from private funding sources.

15 “(d) PERSONNEL COSTS.—The Secretary may use
16 the Natural Resources Conservation Service to carry out
17 the Farmland Stewardship Program.

18 “(e) TECHNICAL ASSISTANCE.—An owner or oper-
19 ator who is receiving a benefit under this chapter shall
20 be eligible to receive technical assistance in accordance
21 with section 1243(d) to assist the owner or operator in
22 carrying out a contract entered into under this chapter.

1 **“SEC. 1239B. USE OF FARMLAND STEWARDSHIP AGREE-**
2 **MENTS.**

3 “(a) AGREEMENTS AUTHORIZED.—The Secretary
4 shall carry out the Farmland Stewardship Program by en-
5 tering into stewardship contracts as determined by the
6 Secretary, to be known as farmland stewardship agree-
7 ments, with the owners or operators of eligible agricultural
8 lands to maintain and protect for the natural and agricul-
9 tural resources on the lands.

10 “(b) BASIC PURPOSES.—An agreement with the
11 owner or operator of eligible agricultural lands shall be
12 used—

13 “(1) to negotiate a mutually agreeable set of
14 guidelines, practices, and procedures under which
15 conservation practices will be provided by the owner
16 or operator to protect, maintain, and, where pos-
17 sible, improve, the natural resources on the lands
18 covered by the agreement in return for annual pay-
19 ments to the owner or operator;

20 “(2) to implement a conservation program or
21 series of programs where there is no such program
22 or to implement conservation management activities
23 where there is no such activity; and

24 “(3) to expand conservation practices and re-
25 source management activities to a property where it
26 is not possible at the present time to negotiate or

1 reach agreement on a public purchase of a fee-sim-
2 ple or less-than-fee interest in the property for con-
3 servation purposes.

4 “(c) MODIFICATION OF OTHER CONSERVATION PRO-
5 GRAM ELEMENTS.—If most, but not all, of the limitations,
6 conditions, and requirements of a conservation program
7 that is implemented in whole, or in part, through the
8 Farmland Stewardship Program are met with respect to
9 a parcel of eligible agricultural lands, and the purposes
10 to be achieved by the agreement to be entered into for
11 such lands are consistent with the purposes of the con-
12 servation program, then the Secretary may waive any re-
13 maining limitations, conditions, or requirements of the
14 conservation program that would otherwise prohibit or
15 limit the agreement.

16 “(d) STATE AND LOCAL CONSERVATION PRIOR-
17 ITIES.—To the maximum extent practicable, agreements
18 shall address the conservation priorities established by the
19 State and locality in which the eligible agricultural lands
20 are located.

21 “(e) WATERSHED ENHANCEMENT.—To the extent
22 practicable, the Secretary shall encourage the development
23 of Farmland Stewardship Program applications on a wa-
24 tershed basis.

1 **“SEC. 1239C. PARTNERSHIP APPROACH TO PROGRAM.**

2 “(a) AUTHORITY OF SECRETARY EXERCISED
3 THROUGH PARTNERSHIPS.—The Secretary may admin-
4 ister agreements under the Farmland Stewardship Pro-
5 gram in partnership with other Federal, State, and local
6 agencies whose programs are incorporated into the Pro-
7 gram under section 1239A.

8 “(b) DESIGNATION AND USE OF CONTRACTING
9 AGENCIES.—Subject to subsection (c), the Secretary may
10 authorize a local conservation district, resource conserva-
11 tion & development district, nonprofit organization, or
12 local office of the Department of Agriculture or other par-
13 ticipating government agency to enter into and administer
14 agreements under the Program as a contracting agency
15 on behalf of the Secretary.

16 “(c) CONDITIONS ON DESIGNATION.—The Secretary
17 may designate an eligible district or office as a contracting
18 agency under subsection (b) only if the district or office—

19 “(1) submits a written request for such des-
20 ignation to the Secretary;

21 “(2) affirms that it is willing to follow all guide-
22 lines for executing and administering an agreement,
23 as promulgated by the Secretary;

24 “(3) demonstrates to the satisfaction of the
25 Secretary that it has established working relation-
26 ships with owners and operators of eligible agricul-

1 tural lands, and based on the history of these work-
2 ing relationships, demonstrates that it has the abil-
3 ity to work with owners and operators of eligible ag-
4 ricultural lands in a cooperative manner;

5 “(4) affirms its responsibility for preparing all
6 documentation for the agreement, negotiating its
7 terms with an owner or operator, monitoring compli-
8 ance, making annual reports to the Secretary, and
9 administering the agreement throughout its full
10 term; and

11 “(5) demonstrates to the satisfaction of the
12 Secretary that it has or will have the necessary staff
13 resources and expertise to carry out its responsibil-
14 ities under paragraphs (3) and (4).

15 **“SEC. 1239D. PARTICIPATION OF OWNERS AND OPERATORS**
16 **OF ELIGIBLE AGRICULTURAL LANDS.**

17 “(a) APPLICATION AND APPROVAL PROCESS.—To
18 participate in the Farmland Stewardship Program, an
19 owner or operator of eligible agricultural lands shall—

20 “(1) submit to the Secretary an application in-
21 dicating interest in the Program and describing the
22 owner’s or operator’s property, its resources, and
23 their ecological and agricultural values;

1 “(2) submit to the Secretary a list of services
2 to be provided, a management plan to be imple-
3 mented, or both, under the proposed agreement;

4 “(3) if the application and list are accepted by
5 the Secretary, enter into an agreement that details
6 the services to be provided, management plan to be
7 implemented, or both, and requires compliance with
8 the other terms of the agreement.

9 “(b) APPLICATION ON BEHALF OF AN OWNER OR
10 OPERATOR.—A designated contracting agency may sub-
11 mit the application required by subsection (a) on behalf
12 of an owner or operator if the contracting agency has se-
13 cured the consent of the owner or operator to enter into
14 an agreement.”.

15 **SEC. 276. SMALL WATERSHED REHABILITATION PROGRAM.**

16 Section 14(h) of the Watershed Protection and Flood
17 Prevention Act (16 U.S.C. 1012(h)) is amended—

18 (1) by adding “and” at the end of paragraph
19 (1); and

20 (2) by striking all that follows paragraph (1)
21 and inserting the following:

22 “(2) \$15,000,000 for fiscal year 2002 and each
23 succeeding fiscal year.”.

1 **Subtitle I—Availability of Funds**

2 **SEC. 281. AVAILABILITY OF FUNDS APPROPRIATED PURSU-** 3 **ANT TO THE SOIL CONSERVATION AND DO-** 4 **MESTIC ALLOTMENT ACT.**

5 Section 6 of the Soil Conservation and Domestic Al-
 6 lotment Act (16 U.S.C. 590f) is amended—

7 (1) in the 1st undesignated paragraph, by in-
 8 serting “(a)” before “There”;

9 (2) in the 2nd undesignated paragraph, by in-
 10 serting “(b)” before “Appropriations”; and

11 (3) by adding at the end the following:

12 “(c) Funds made available to carry out the purposes
 13 of this Act may be used, to the extent determined by the
 14 Secretary of Agriculture to be necessary, by the agency
 15 of the Department of Agriculture to which the funds are
 16 appropriated, to provide technical assistance to owners
 17 and operators of land to achieve the objectives of any con-
 18 servation program administered by the Secretary of Agri-
 19 culture.”.

20 **Subtitle K—Repeals**

21 **SEC. 291. PROVISIONS OF FOOD SECURITY ACT OF 1985.**

22 (a) WETLANDS MITIGATION BANKING PROGRAM.—

23 Section 1222 of the Food Security Act of 1985 (16 U.S.C.
 24 3822) is amended by striking subsection (k).

1 (b) PAYMENT LIMITATIONS UNDER THE CONSERVA-
2 TION RESERVE PROGRAM.—Section 1234(f) of such Act
3 (16 U.S.C. 3837d(c)) is amended by striking paragraph
4 (3).

5 (c) BASE HISTORY PROVISION.—

6 (1) REPEAL.—Section 1236 of such Act (16
7 U.S.C. 3836) is repealed.

8 (2) CONFORMING AMENDMENT.—Section
9 1232(a)(5) of such Act (16 U.S.C. 3832(a)(5)) is
10 amended by striking “in addition to the remedies
11 provided under section 1236(d),”.

12 (d) PAYMENT LIMITATIONS UNDER THE WETLANDS
13 RESERVE PROGRAM.—Section 1237D(c) of such Act (16
14 U.S.C. 3837d(c)) is amended by striking paragraph (3).

15 (e) ENVIRONMENTAL EASEMENT PROGRAM.—

16 (1) REPEAL.—Chapter 3 of subtitle D of title
17 XII of such Act (16 U.S.C. 3839–3839d) is re-
18 pealed.

19 (2) CONFORMING AMENDMENT.—Section
20 1243(a)(3) of such Act (16 U.S.C. 3843(a)(3)) is
21 amended by striking “or 3”.

22 (f) CONSERVATION FARM OPTION.—Chapter 5 of
23 subtitle D of title XII of such Act (16 U.S.C. 3839bb)
24 is repealed.

1 (g) TREE PLANTING INITIATIVE.—Section 1256 of
 2 such Act (16 U.S.C. 2101 note) is repealed.

3 **TITLE III—TRADE**

4 **SEC. 301. MARKET ACCESS PROGRAM.**

5 Section 211(c)(1) of the Agricultural Trade Act of
 6 1978 (7 U.S.C. 5641(c)(1)) is amended—

7 (1) by striking “and not more” and inserting
 8 “not more”;

9 (2) by inserting “and not more than
 10 \$200,000,000 for each of fiscal years 2002 through
 11 2011,” after “2002”; and

12 (3) by striking “2002” and inserting “2001”.

13 **SEC. 302. FOOD FOR PROGRESS.**

14 (a) IN GENERAL.—Subsections (f)(3), (g), (k), and
 15 (l)(1) of section 1110 of the Food Security Act of 1985
 16 (7 U.S.C. 1736o) are each amended by striking “2002”
 17 and inserting “2011”.

18 (b) INCREASE IN FUNDING.—Section 1110(l)(1) of
 19 the Food Security Act of 1985 (7 U.S.C. 1736o(l)(1)) is
 20 amended by striking “fiscal year 1999” and inserting “fis-
 21 cal years 2002 through 2011”.

22 (c) EXCLUSION FROM LIMITATION.—Section
 23 1110(e)(2) of the Food Security Act of 1985 (7 U.S.C.
 24 1736o(e)(2)) is amended by inserting “, and subsection
 25 (g) does not apply to such commodities furnished on a

1 grant basis or on credit terms under title I of the Agricul-
 2 tural Trade Development Act of 1954” before the final
 3 period.

4 (d) TRANSPORTATION COSTS.—Section 1110(f)(3) of
 5 the Food Security Act of 1985 (7 U.S.C. 1736o) is amend-
 6 ed by striking “\$30,000,000” and inserting
 7 “\$35,000,000”.

8 (e) MULTIYEAR BASIS.—Section 1110(j) of the Food
 9 Security Act of 1985 (7 U.S.C. 17360(j)) is amended—
 10 (1) by striking “may” and inserting “is encour-
 11 aged”; and

12 (2) by inserting “to” before “approved”.

13 (f) NEW PROVISIONS.—Section 1110 of the Food Se-
 14 curity Act of 1985 (7 U.S.C. 17360) is amended by adding
 15 at the end the following:

16 “(p) The Secretary is encouraged to finalize program
 17 agreements and resource requests for programs under this
 18 section before the beginning of the relevant fiscal year.
 19 By November 1 of the relevant fiscal year, the Secretary
 20 shall provide to the Committee on Agriculture of the
 21 House of Representatives, and the Committee on Agri-
 22 culture, Nutrition, and Forestry of the Senate a list of
 23 approved programs, countries, and commodities, and the
 24 total amounts of funds approved for transportation and
 25 administrative costs, under this section.”.

1 **SEC. 303. EXPORT ENHANCEMENT PROGRAM.**

2 Section 301(e)(1)(G) of the Agricultural Trade Act
3 of 1978 (7 U.S.C. 5651(e)(1)(G)) is amended by inserting
4 “and for each fiscal year thereafter through fiscal year
5 2011” after “2002”.

6 **SEC. 304. FOREIGN MARKET DEVELOPMENT COOPERATOR**
7 **PROGRAM.**

8 Section 703 of the Agricultural Trade Act of 1978
9 (7 U.S.C. 5723) is amended—

10 (1) by inserting “(a) PRIOR YEARS.—”;

11 (2) by striking “2002” and inserting “2001”;

12 and

13 (3) by adding at the end the following new sub-
14 section:

15 “(b) FISCAL 2002 AND LATER.—For each of fiscal
16 years 2002 through 2011 there are authorized to be ap-
17 propriated such sums as may be necessary to carry out
18 this title, and, in addition to any sums so appropriated,
19 the Secretary shall use \$35,000,000 of the funds of, or
20 an equal value of the commodities of, the Commodity
21 Credit Corporation to carry out this title.

22 **SEC. 305. EXPORT CREDIT GUARANTEE PROGRAM.**

23 (a) REAUTHORIZATION.—Section 211(b)(1) of the
24 Agricultural Trade Act of 1978 (7 U.S.C. 5641(b)(1)) is
25 amended by striking “2002” and inserting “2011”.

1 (b) PROCESSED AND HIGH VALUE PRODUCTS.—Sec-
2 tion 202(k)(1) of the Agricultural Trade Act of 1978 (7
3 U.S.C. 5622(k)(1)) is amended by striking “, 2001, and
4 2002” and inserting “through 2011”.

5 **SEC. 306. PL 480.**

6 The Agricultural Trade Development and Assistance
7 Act of 1954 (7 U.S.C. 1691 et seq.) is amended—

8 (1) in section 204(a), by striking “2002” each
9 place it appears and inserting “2011”;

10 (2) in section 208(f), by striking “2002” and
11 inserting “2011”;

12 (3) in section 407(c)(4), by striking “2001 and
13 2002” and inserting “2001 through 2011”;

14 (4) in section 408, by striking “2002” and in-
15 serting “2011”; and

16 (5) in section 501(c), by striking “2002” and
17 inserting “2011”.

18 **SEC. 307. EMERGING MARKETS.**

19 Section 1542 of the Food, Agriculture, Conservation,
20 and Trade Act of 1990 (7 U.S.C. 5622n) is amended in
21 subsections (a) and (d)(1)(A)(i), by striking “2002” and
22 inserting “2011”.

23 **SEC. 308. BILL EMERSON HUMANITARIAN TRUST.**

24 Subsections (b)(2)(i), (h)(1), and (h)(2) of section
25 302 of the Bill Emerson Humanitarian Trust Act (7

1 U.S.C. 1736f–1) are each amended by striking “2002”
2 and inserting “2011”.

3 **SEC. 309. TECHNICAL ASSISTANCE FOR SPECIALTY CROPS.**

4 (a) ESTABLISHMENT.—The Secretary of Agriculture
5 shall establish an export assistance program (referred to
6 in this section as the “program”) to address unique bar-
7 riers that prohibit or threaten the export of United States
8 specialty crops.

9 (b) PURPOSE.—The program shall provide direct as-
10 sistance through public and private sector projects and
11 technical assistance to remove, resolve, or mitigate sani-
12 tary and phytosanitary and related barriers to trade.

13 (c) PRIORITY.—The program shall address time sen-
14 sitive and strategic market access projects based on—

15 (1) trade effect on market retention, market ac-
16 cess, and market expansion; and

17 (2) trade impact.

18 (d) FUNDING.—The Secretary shall make available
19 \$3,000,000 for each of fiscal years 2002 through 2011
20 of the funds of, or an equal value of commodities owned
21 by, the Commodity Credit Corporation.

1 **TITLE IV—NUTRITION**
2 **PROGRAMS**
3 **Subtitle A—Food Stamp Program**

4 **SEC. 401. SIMPLIFIED DEFINITION OF INCOME.**

5 Section 5(d) of the Food Stamp Act of 1977 (7
6 U.S.C. 2014(d)) is amended—

7 (1) in paragraph (3)—

8 (A) by striking “and (C)” and inserting
9 “(C)”; and

10 (B) by inserting after “premiums,” the fol-
11 lowing:

12 “(D) to the extent that any other educational loans on
13 which payment is deferred, grants, scholarships, fellow-
14 ships, veterans’ educational benefits, and the like, are re-
15 quired to be excluded under title XIX of the Social Secu-
16 rity Act, the state agency may exclude it under this sub-
17 section,”;

18 (2) by striking “and (15)” and inserting
19 “(15)”;

20 (3) by inserting before the period at the end the
21 following:

22 “; (16) any state complementary assistance program pay-
23 ments that are excluded pursuant to subsections (a) and
24 (b) of section 1931 of title XIX of the Social Security Act;
25 and (17) at the option of the State agency, any types of

1 income that the State agency does not consider when de-
 2 termining eligibility for cash assistance under a program
 3 funded under part A of title IV of the Social Security Act
 4 (42 U.S.C. 601 et seq.) or medical assistance under sec-
 5 tion 1931 of the Social Security Act (42 U.S.C. 1396u-
 6 1), except that this paragraph shall not authorize a State
 7 agency to exclude earned income, payments under title I,
 8 II, IV, X, XIV, or XVI of the Social Security Act, or such
 9 other types of income whose consideration the Secretary
 10 determines essential to equitable determinations of eligi-
 11 bility and benefit levels except to the extent that those
 12 types of income may be excluded under other paragraphs
 13 of this subsection”.

14 **SEC. 402. STANDARD DEDUCTION.**

15 Section 5(e)(1) of the Food Stamp Act of 1977 (7
 16 U.S.C. 2014(e)(1)) is amended—

17 (1) by striking “of \$134, \$229, \$189, \$269,
 18 and \$118” and inserting “equal to 9.7 percent of
 19 the eligibility limit established under section 5(c)(1)
 20 for fiscal year 2002 but not more than 9.25 percent
 21 of the eligibility limit established under section
 22 5(c)(1) for a household of six nor less than \$134,
 23 \$229, \$189, \$269, and \$118”; and

24 (2) by inserting before the period at the end the
 25 following:

1 “, except that the standard deduction for Guam
 2 shall be determined with reference to 2 times the eli-
 3 gibility limits under section 5(c)(1) for the 48 con-
 4 tiguous states and the District of Columbia”.

5 **SEC. 403. TRANSITIONAL FOOD STAMPS FOR FAMILIES**
 6 **MOVING FROM WELFARE.**

7 (a) IN GENERAL.—Section 11 of the Food Stamp Act
 8 of 1977 (7 U.S.C. 2020) is amended by adding at the end
 9 the following:

10 “(s) TRANSITIONAL BENEFITS OPTION.—

11 “(1) IN GENERAL.—A State may provide tran-
 12 sitional food stamp benefits to a household that is
 13 no longer eligible to receive cash assistance under a
 14 State program funded under part A of title IV of the
 15 Social Security Act (42 U.S.C. 601 et seq.).

16 “(2) TRANSITIONAL BENEFITS PERIOD.—Under
 17 paragraph (1), a household may continue to receive
 18 food stamp benefits for a period of not more than
 19 6 months after the date on which cash assistance is
 20 terminated.

21 “(3) AMOUNT.—During the transitional bene-
 22 fits period under paragraph (2), a household shall
 23 receive an amount equal to the allotment received in
 24 the month immediately preceding the date on which
 25 cash assistance is terminated. A household receiving

1 benefits under this subsection may apply for recer-
 2 tification at any time during the transitional benefit
 3 period. If a household reapplies, its allotment shall
 4 be determined without regard to this subsection for
 5 all subsequent months.

6 “(4) DETERMINATION OF FUTURE ELIGI-
 7 BILITY.—In the final month of the transitional bene-
 8 fits period under paragraph (2), the State agency
 9 may—

10 “(A) require a household to cooperate in a
 11 redetermination of eligibility to receive an au-
 12 thorization card; and

13 “(B) renew eligibility for a new certifi-
 14 cation period for the household without regard
 15 to whether the previous certification period has
 16 expired.

17 “(5) LIMITATION.—A household sanctioned
 18 under section 6, or for a failure to perform an action
 19 required by Federal, State, or local law relating to
 20 such cash assistance program, shall not be eligible
 21 for transitional benefits under this subsection.”.

22 (b) CONFORMING AMENDMENTS.—(1) Section 3(c) of
 23 the Food Stamp Act of 1977 (7 U.S.C. 2012(c)) is amend-
 24 ed by adding at the end the following: “The limits in this

1 section may be extended until the end of any transitional
 2 benefit period established under section 11(s).”.

3 (2) Section 6(c) of the Food Stamp Act of 1977 (7
 4 U.S.C. 2015(c)) is amended by striking “No household”
 5 and inserting “Except in a case in which a household is
 6 receiving transitional benefits during the transitional ben-
 7 efits period under section 11(s), no household”.

8 **SEC. 404. QUALITY CONTROL SYSTEMS.**

9 (a) TARGETED QUALITY CONTROL SYSTEM.—Sec-
 10 tion 16(c) of the Food Stamp Act of 1977 (7 U.S.C.
 11 2025(c)) is amended—

12 (1) in paragraph (1)(C)—

13 (A) in the matter preceding clause (i), by
 14 inserting “the Secretary determines that a 95
 15 percent statistical probability exists that for the
 16 3d consecutive year” after “year in which”; and

17 (B) in clause (i)(II)(aa) by striking “the
 18 national performance measure for the fiscal
 19 year” each place it appears and inserting “10
 20 percent”;

21 (2) in the 1st sentence of paragraph (4)—

22 (A) by striking “or claim” and inserting
 23 “claim”; and

1 (B) by inserting “or performance under
2 the measures established under paragraph
3 (10),” after “for payment error,”;

4 (3) in paragraph (5), by inserting “to comply
5 with paragraph (10) and” before “to establish”;

6 (4) in the 1st sentence of paragraph (6), by in-
7 serting “one percentage point more than” after
8 “measure that shall be”; and

9 (5) by inserting at the end the following:

10 “(10)(A) In addition to the measures established
11 under paragraph (1), the Secretary shall measure the per-
12 formance of State agencies in each of the following
13 regards—

14 “(i) compliance with the deadlines established
15 under paragraphs (3) and (9) of section 11(e); and

16 “(ii) the percentage of negative eligibility deci-
17 sions that are made correctly.

18 “(B) For each fiscal year, the Secretary shall make
19 excellence bonus payments of \$1,000,000 each to the 5
20 States with the highest combined performance in the 2
21 measures in subparagraph (A) and to the 5 States whose
22 combined performance under the 2 measures in subpara-
23 graph (A) most improved in such fiscal year.

24 “(C) For any fiscal year in which the Secretary deter-
25 mines that a 95 percent statistical probability exists that

1 a State agency's performance with respect to any of the
2 2 performance measures established in subparagraph (A)
3 is substantially worse than a level the Secretary deems
4 reasonable, other than for good cause shown, the Sec-
5 retary shall investigate that State agency's administration
6 of the food stamp program. If this investigation deter-
7 mines that the State's administration has been deficient,
8 the Secretary shall require the State agency to take
9 prompt corrective action.”.

10 (b) IMPLEMENTATION.—The amendment made by
11 subsection (a)(5) shall apply to all fiscal years beginning
12 on or after October 1, 2001. All other amendments made
13 by this section shall apply to all fiscal years beginning on
14 or after October 1, 1999.

15 **SEC. 405. SIMPLIFIED APPLICATION AND ELIGIBILITY DE-**
16 **TERMINATION SYSTEMS.**

17 Section 16 of the Food Stamp Act of 1977 (7 U.S.C.
18 2025) is amended by inserting at the end the following:

19 “(l) The Secretary shall expend up to \$10 million in
20 each fiscal year to pay 100 percent of the costs of State
21 agencies to develop and implement simple application and
22 eligibility determination systems.”.

1 **SEC. 406. AUTHORIZATION OF APPROPRIATIONS.**

2 (a) EMPLOYMENT AND TRAINING PROGRAMS.—Sec-
3 tion 16(h)(1) of the Food Stamp Act of 1977 (7 U.S.C.
4 2025(h)(1)) is amended—

5 (1) in subparagraph (A)(vii) by striking “fiscal
6 year 2002” and inserting “each of the fiscal years
7 2003 through 2011”; and

8 (2) in subparagraph (B) by striking “2002”
9 and inserting “2011”.

10 (b) COST ALLOCATION.—Section 16(k)(3) of the
11 Food Stamp Act of 1977 (7 U.S.C. 2025(k)(3)) is
12 amended—

13 (1) in subparagraph (A) by striking “2002”
14 and inserting “2011”; and

15 (2) in subparagraph (B)(ii) by striking “2002”
16 and inserting “2011”.

17 (c) CASH PAYMENT PILOT PROJECTS.—Section
18 17(b)(1)(B)(vi) of the Food Stamp Act of 1977 (7 U.S.C.
19 2026(b)(1)(B)(vi)) is amended by striking “2002” and in-
20 serting “2011”.

21 (d) OUTREACH DEMONSTRATION PROJECTS.—Sec-
22 tion 17(i)(1)(A) of the Food Stamp Act of 1977 (7 U.S.C.
23 2026(i)(1)(A)) is amended by striking “1992 through
24 2002” and inserting “2003 through 2011”.

25 (e) AUTHORIZATION OF APPROPRIATIONS.—Section
26 18(a)(1) of the Food Stamp Act of 1977 (7 U.S.C.

1 2027(a)(1)) is amended by striking“ “1996 through
2 2002” and inserting “2003 through 2011”.

3 (f) PUERTO RICO.—Section 19(a)(1)(A) of the Food
4 Stamp Act of 1977 (7 U.S.C. 2028(a)(1)(A)) is
5 amended—

6 (1) in clause (ii) by striking “and” at the end;

7 (2) in clause (iii) by adding “and” at the end;

8 and

9 (3) by inserting after clause (iii) the following:

10 “(iv) for each of fiscal years 2003 through
11 2011, the amount equal to the amount required to
12 be paid under this subparagraph for the preceding
13 fiscal year, as adjusted by the percentage by which
14 the thrifty food plan is adjusted under section
15 3(o)(4) for the current fiscal year for which the
16 amount is determined under this clause;”.

17 (g) TERRITORY OF AMERICAN SAMOA.—Section 24
18 of the Food Stamp Act of 1977 (7 U.S.C. 2033) is amend-
19 ed by striking “1996 through 2002” and inserting “2003
20 through 2011”.

21 (h) ASSISTANCE FOR COMMUNITY FOOD
22 PROJECTS.—Section 25(b)(2) of the Food Stamp Act of
23 1977 (7 U.S.C. 2034(b)(2)) is amended—

24 (1) in subparagraph (A) by striking “and” at
25 the end;

1 (2) in subparagraph (B)—

2 (A) by striking “2002” and inserting
3 “2001”; and

4 (B) by adding “and” at the end; and

5 (3) by inserting after subparagraph (B) the fol-
6 lowing:

7 “(C) \$7,500,000 for each of the fiscal
8 years 2002 through 2011.”.

9 (i) AVAILABILITY OF COMMODITIES FOR THE EMER-
10 GENCY FOOD ASSISTANCE PROGRAM.—Section 27 of the
11 Food Stamp Act of 1977 (7 U.S.C. 2036) is amended—

12 (1) in subsection (a)—

13 (A) by striking “1997 through 2002” and
14 inserting “2002 through 2011”; and

15 (B) by striking “\$100,000,000” and in-
16 serting “\$140,000,000”; and

17 (2) by adding at the end the following:

18 “(c) USE OF FUNDS FOR RELATED COSTS.—For
19 each of the fiscal years 2002 through 2011, the Secretary
20 shall use \$10,000,000 of the funds made available under
21 subsection (a) to pay for the direct and indirect costs of
22 the States related to the processing, storing, transporting,
23 and distributing to eligible recipient agencies of commod-
24 ities purchased by the Secretary under such subsection
25 and commodities secured from other sources, including

1 commodities secured by gleaning (as defined in section
 2 111 of the Hunger Prevention Act of 1988 (7 U.S.C. 612c
 3 note)).”.

4 (j) SPECIAL EFFECTIVE DATE.—The amendments
 5 made by subsections (h) and (i) shall take effect of Octo-
 6 ber 1, 2001.

7 **Subtitle B—Commodity** 8 **Distribution**

9 **SEC. 441. DISTRIBUTION OF SURPLUS COMMODITIES TO** 10 **SPECIAL NUTRITION PROJECTS.**

11 Section 1114(a) of the Agriculture and Food Act of
 12 1981 (7 U.S.C. 1431e) is amended by striking “2002”
 13 and inserting “2011”.

14 **SEC. 442. COMMODITY SUPPLEMENTAL FOOD PROGRAM.**

15 The Agriculture and Consumer Protection Act of
 16 1975 (7 U.S.C. 612c note) is amended—

17 (1) in section 4(a) by striking “1991 through
 18 2002” and inserting “2003 through 2011”; and

19 (2) in subsections (a)(2) and (d)(2) of section
 20 5 by striking “1991 through 2002” and inserting
 21 “2003 through 2011”.

22 **SEC. 443. EMERGENCY FOOD ASSISTANCE.**

23 The 1st sentence of section 204(a)(1) of the Emer-
 24 gency Food Assistance Act of 1983 (7 U.S.C. 7508(a)(1))
 25 is amended—

(1) by striking “1991 through 2002” and inserting “2003 through 2011”;

(2) by striking “administrative”, and

(3) by inserting “storage,” after “processing.”.

Subtitle C—Miscellaneous Provisions

SEC. 461. HUNGER FELLOWSHIP PROGRAM.

(a) SHORT TITLE; FINDINGS.—

(1) SHORT TITLE.—This section may be cited as the “Congressional Hunger Fellows Act of 2001”.

(2) FINDINGS.—The Congress finds as follows:

(A) There is a critical need for compassionate individuals who are committed to assisting people who suffer from hunger as well as a need for such individuals to initiate and administer solutions to the hunger problem.

(B) Bill Emerson, the distinguished late Representative from the 8th District of Missouri, demonstrated his commitment to solving the problem of hunger in a bipartisan manner, his commitment to public service, and his great affection for the institution and the ideals of the United States Congress.

(C) George T. (Mickey) Leland, the distinguished late Representative from the 18th Dis-

1 trict of Texas, demonstrated his compassion for
2 those in need, his high regard for public service,
3 and his lively exercise of political talents.

4 (D) The special concern that Mr. Emerson
5 and Mr. Leland demonstrated during their lives
6 for the hungry and poor was an inspiration for
7 others to work toward the goals of equality and
8 justice for all.

9 (E) These 2 outstanding leaders main-
10 tained a special bond of friendship regardless of
11 political affiliation and worked together to en-
12 courage future leaders to recognize and provide
13 service to others, and therefore it is especially
14 appropriate to honor the memory of Mr. Emer-
15 son and Mr. Leland by creating a fellowship
16 program to develop and train the future leaders
17 of the United States to pursue careers in hu-
18 manitarian service.

19 (b) ESTABLISHMENT.—There is established as an
20 independent entity of the legislative branch of the United
21 States Government the Congressional Hunger Fellows
22 Program (hereinafter in this section referred to as the
23 “Program”).

24 (c) BOARD OF TRUSTEES.—

1 (1) IN GENERAL.—The Program shall be sub-
2 ject to the supervision and direction of a Board of
3 Trustees.

4 (2) MEMBERS OF THE BOARD OF TRUSTEES.—

5 (A) APPOINTMENT.—The Board shall be
6 composed of 6 voting members appointed under
7 clause (i) and 1 nonvoting ex officio member
8 designated in clause (ii) as follows:

9 (i) VOTING MEMBERS.—(I) The
10 Speaker of the House of Representatives
11 shall appoint 2 members.

12 (II) The minority leader of the House
13 of Representatives shall appoint 1 member.

14 (III) The majority leader of the Sen-
15 ate shall appoint 2 members.

16 (IV) The minority leader of the Sen-
17 ate shall appoint 1 member.

18 (ii) NONVOTING MEMBER.—The Exec-
19 utive Director of the program shall serve
20 as a nonvoting ex officio member of the
21 Board.

22 (B) TERMS.—Members of the Board shall
23 serve a term of 4 years.

24 (C) VACANCY.—

1 (i) AUTHORITY OF BOARD.—A va-
2 cancy in the membership of the Board does
3 not affect the power of the remaining
4 members to carry out this section.

5 (ii) APPOINTMENT OF SUCCESSORS.—
6 A vacancy in the membership of the Board
7 shall be filled in the same manner in which
8 the original appointment was made.

9 (iii) INCOMPLETE TERM.—If a mem-
10 ber of the Board does not serve the full
11 term applicable to the member, the indi-
12 vidual appointed to fill the resulting va-
13 cancy shall be appointed for the remainder
14 of the term of the predecessor of the indi-
15 vidual.

16 (D) CHAIRPERSON.—As the first order of
17 business of the first meeting of the Board, the
18 members shall elect a Chairperson.

19 (E) COMPENSATION.—

20 (i) IN GENERAL.—Subject to clause
21 (ii), members of the Board may not receive
22 compensation for service on the Board.

23 (ii) TRAVEL.—Members of the Board
24 may be reimbursed for travel, subsistence,

1 and other necessary expenses incurred in
2 carrying out the duties of the program.

3 (3) DUTIES.—

4 (A) BYLAWS.—

5 (i) ESTABLISHMENT.—The Board
6 shall establish such bylaws and other regu-
7 lations as may be appropriate to enable the
8 Board to carry out this section, including
9 the duties described in this paragraph.

10 (ii) CONTENTS.—Such bylaws and
11 other regulations shall include provisions—

12 (I) for appropriate fiscal control,
13 funds accountability, and operating
14 principles;

15 (II) to prevent any conflict of in-
16 terest, or the appearance of any con-
17 flict of interest, in the procurement
18 and employment actions taken by the
19 Board or by any officer or employee
20 of the Board and in the selection and
21 placement of individuals in the fellow-
22 ships developed under the program;

23 (III) for the resolution of a tie
24 vote of the members of the Board;
25 and

1 (IV) for authorization of travel
2 for members of the Board.

3 (iii) TRANSMITTAL TO CONGRESS.—
4 Not later than 90 days after the date of
5 the first meeting of the Board, the Chair-
6 person of the Board shall transmit to Con-
7 gress a copy of such bylaws.

8 (B) BUDGET.—For each fiscal year the
9 program is in operation, the Board shall deter-
10 mine a budget for the program for that fiscal
11 year. All spending by the program shall be pur-
12 suant to such budget unless a change is ap-
13 proved by the Board.

14 (C) PROCESS FOR SELECTION AND PLACE-
15 MENT OF FELLOWS.—The Board shall review
16 and approve the process established by the Ex-
17 ecutive Director for the selection and placement
18 of individuals in the fellowships developed under
19 the program.

20 (D) ALLOCATION OF FUNDS TO FELLOW-
21 SHIPS.—The Board of Trustees shall determine
22 the priority of the programs to be carried out
23 under this section and the amount of funds to
24 be allocated for the Emerson and Leland fellow-
25 ships.

1 (d) PURPOSES; AUTHORITY OF PROGRAM.—

2 (1) PURPOSES.—The purposes of the program
3 are—

4 (A) to encourage future leaders of the
5 United States to pursue careers in humani-
6 tarian service, to recognize the needs of people
7 who are hungry and poor, and to provide assist-
8 ance and compassion for those in need;

9 (B) to increase awareness of the impor-
10 tance of public service; and

11 (C) to provide training and development
12 opportunities for such leaders through place-
13 ment in programs operated by appropriate or-
14 ganizations or entities.

15 (2) AUTHORITY.—The program is authorized to
16 develop such fellowships to carry out the purposes of
17 this section, including the fellowships described in
18 paragraph (3).

19 (3) FELLOWSHIPS.—

20 (A) IN GENERAL.—The program shall es-
21 tablish and carry out the Bill Emerson Hunger
22 Fellowship and the Mickey Leland Hunger Fel-
23 lowship.

24 (B) CURRICULUM.—

1 (i) IN GENERAL.—The fellowships es-
2 tablished under subparagraph (A) shall
3 provide experience and training to develop
4 the skills and understanding necessary to
5 improve the humanitarian conditions and
6 the lives of individuals who suffer from
7 hunger, including—

8 (I) training in direct service to
9 the hungry in conjunction with com-
10 munity-based organizations through a
11 program of field placement; and

12 (II) experience in policy develop-
13 ment through placement in a govern-
14 mental entity or nonprofit organiza-
15 tion.

16 (ii) FOCUS OF BILL EMERSON HUN-
17 GER FELLOWSHIP.—The Bill Emerson
18 Hunger Fellowship shall address hunger
19 and other humanitarian needs in the
20 United States.

21 (iii) FOCUS OF MICKEY LELAND HUN-
22 GER FELLOWSHIP.—The Mickey Leland
23 Hunger Fellowship shall address inter-
24 national hunger and other humanitarian
25 needs.

1 (iv) WORKPLAN.—To carry out clause
2 (i) and to assist in the evaluation of the
3 fellowships under paragraph (4), the pro-
4 gram shall, for each fellow, approve a work
5 plan that identifies the target objectives for
6 the fellow in the fellowship, including spe-
7 cific duties and responsibilities related to
8 those objectives.

9 (C) PERIOD OF FELLOWSHIP.—

10 (i) EMERSON FELLOW.—A Bill Emer-
11 son Hunger Fellowship awarded under this
12 paragraph shall be for no more than 1
13 year.

14 (ii) LELAND FELLOW.—A Mickey Le-
15 land Hunger Fellowship awarded under
16 this paragraph shall be for no more than
17 2 years.

18 (D) SELECTION OF FELLOWS.—

19 (i) IN GENERAL.—A fellowship shall
20 be awarded pursuant to a nationwide com-
21 petition established by the program.

22 (ii) QUALIFICATION.—A successful
23 applicant shall be an individual who has
24 demonstrated—

1 (I) an intent to pursue a career
2 in humanitarian service and out-
3 standing potential for such a career;

4 (II) a commitment to social
5 change;

6 (III) leadership potential or ac-
7 tual leadership experience;

8 (IV) diverse life experience;

9 (V) proficient writing and speak-
10 ing skills; and

11 (VI) an ability to live in poor or
12 diverse communities.

13 (iii) AMOUNT OF AWARD.—

14 (I) IN GENERAL.—Each indi-
15 vidual awarded a fellowship under this
16 paragraph shall receive a living allow-
17 ance and, subject to subclause (II), an
18 end-of-service award as determined by
19 the program.

20 (II) REQUIREMENT FOR SUC-
21 CESSFUL COMPLETION OF FELLOW-
22 SHIP.—Each individual awarded a fel-
23 lowship under this paragraph shall be
24 entitled to receive an end-of-service
25 award at an appropriate rate for each

1 month of satisfactory service as deter-
2 mined by the Executive Director.

3 (iv) RECOGNITION OF FELLOWSHIP
4 AWARD.—

5 (I) EMERSON FELLOW.—An indi-
6 vidual awarded a fellowship from the
7 Bill Emerson Hunger Fellowship shall
8 be known as an “Emerson Fellow”.

9 (II) LELAND FELLOW.—An indi-
10 vidual awarded a fellowship from the
11 Mickey Leland Hunger Fellowship
12 shall be known as a “Leland Fellow”.

13 (4) EVALUATION.—The program shall conduct
14 periodic evaluations of the Bill Emerson and Mickey
15 Leland Hunger Fellowships. Such evaluations shall
16 include the following:

17 (A) An assessment of the successful com-
18 pletion of the work plan of the fellow.

19 (B) An assessment of the impact of the fel-
20 lowship on the fellows.

21 (C) An assessment of the accomplishment
22 of the purposes of the program.

23 (D) An assessment of the impact of the
24 fellow on the community.

25 (e) TRUST FUND.—

1 (1) ESTABLISHMENT.—There is established the
2 Congressional Hunger Fellows Trust Fund (herein-
3 after in this section referred to as the “Fund”) in
4 the Treasury of the United States, consisting of
5 amounts appropriated to the Fund under subsection
6 (i), amounts credited to it under paragraph (3), and
7 amounts received under subsection (g)(3)(A).

8 (2) INVESTMENT OF FUNDS.—The Secretary of
9 the Treasury shall invest the full amount of the
10 Fund. Each investment shall be made in an interest
11 bearing obligation of the United States or an obliga-
12 tion guaranteed as to principal and interest by the
13 United States that, as determined by the Secretary
14 in consultation with the Board, has a maturity suit-
15 able for the Fund.

16 (3) RETURN ON INVESTMENT.—Except as pro-
17 vided in subsection (f)(2), the Secretary of the
18 Treasury shall credit to the Fund the interest on,
19 and the proceeds from the sale or redemption of, ob-
20 ligations held in the Fund.

21 (f) EXPENDITURES; AUDITS.—

22 (1) IN GENERAL.—The Secretary of the Treas-
23 ury shall transfer to the program from the amounts
24 described in subsection (e)(3) and subsection
25 (g)(3)(A) such sums as the Board determines are

1 necessary to enable the program to carry out the
2 provisions of this section.

3 (2) LIMITATION.—The Secretary may not
4 transfer to the program the amounts appropriated to
5 the Fund under subsection (i).

6 (3) USE OF FUNDS.—Funds transferred to the
7 program under paragraph (1) shall be used for the
8 following purposes:

9 (A) STIPENDS FOR FELLOWS.—To provide
10 for a living allowance for the fellows.

11 (B) TRAVEL OF FELLOWS.—To defray the
12 costs of transportation of the fellows to the fel-
13 lowship placement sites.

14 (C) INSURANCE.—To defray the costs of
15 appropriate insurance of the fellows, the pro-
16 gram, and the Board.

17 (D) TRAINING OF FELLOWS.—To defray
18 the costs of preservice and midservice education
19 and training of fellows.

20 (E) SUPPORT STAFF.—Staff described in
21 subsection (g).

22 (F) AWARDS.—End-of-service awards
23 under subsection (d)(3)(D)(iii)(II).

1 (G) ADDITIONAL APPROVED USES.—For
2 such other purposes that the Board determines
3 appropriate to carry out the program.

4 (4) AUDIT BY GAO.—

5 (A) IN GENERAL.—The Comptroller Gen-
6 eral of the United States shall conduct an an-
7 nual audit of the accounts of the program.

8 (B) BOOKS.—The program shall make
9 available to the Comptroller General all books,
10 accounts, financial records, reports, files, and
11 all other papers, things, or property belonging
12 to or in use by the program and necessary to
13 facilitate such audit.

14 (C) REPORT TO CONGRESS.—The Comp-
15 troller General shall submit a copy of the re-
16 sults of each such audit to the Congress.

17 (g) STAFF; POWERS OF PROGRAM.—

18 (1) EXECUTIVE DIRECTOR.—

19 (A) IN GENERAL.—The Board shall ap-
20 point an Executive Director of the program who
21 shall administer the program. The Executive
22 Director shall carry out such other functions
23 consistent with the provisions of this section as
24 the Board shall prescribe.

1 (B) RESTRICTION.—The Executive Direc-
2 tor may not serve as Chairperson of the Board.

3 (C) COMPENSATION.—The Executive Di-
4 rector shall be paid at a rate not to exceed the
5 rate of basic pay payable for level V of the Ex-
6 ecutive Schedule under section 5316 of title 5,
7 United States Code.

8 (2) STAFF.—

9 (A) IN GENERAL.—With the approval of a
10 majority of the Board, the Executive Director
11 may appoint and fix the pay of additional per-
12 sonnel as the Executive Director considers nec-
13 essary and appropriate to carry out the func-
14 tions of the provisions of this section.

15 (B) COMPENSATION.—An individual ap-
16 pointed under subparagraph (A) shall be paid
17 at a rate not to exceed the rate of basic pay
18 payable for level GS–15 of the General Sched-
19 ule.

20 (3) POWERS.—In order to carry out the provi-
21 sions of this section, the program may perform the
22 following functions:

23 (A) GIFTS.—The program may solicit, ac-
24 cept, use, and dispose of gifts, bequests, or de-
25 vises of services or property, both real and per-

1 sonal, for the purpose of aiding or facilitating
2 the work of the program. Gifts, bequests, or de-
3 vises of money and proceeds from sales of other
4 property received as gifts, bequests, or devises
5 shall be deposited in the Fund and shall be
6 available for disbursement upon order of the
7 Board.

8 (B) EXPERTS AND CONSULTANTS.—The
9 program may procure temporary and intermit-
10 tent services under section 3109 of title 5,
11 United States Code, but at rates for individuals
12 not to exceed the daily equivalent of the max-
13 imum annual rate of basic pay payable for GS-
14 15 of the General Schedule.

15 (C) CONTRACT AUTHORITY.—The program
16 may contract, with the approval of a majority
17 of the members of the Board, with and com-
18 pensate Government and private agencies or
19 persons without regard to section 3709 of the
20 Revised Statutes (41 U.S.C. 5).

21 (D) OTHER NECESSARY EXPENDITURES.—
22 The program shall make such other expendi-
23 tures which the program considers necessary to
24 carry out the provisions of this section, but ex-
25 cluding project development.

1 (h) REPORT.—Not later than December 31 of each
2 year, the Board shall submit to Congress a report on the
3 activities of the program carried out during the previous
4 fiscal year, and shall include the following:

5 (1) An analysis of the evaluations conducted
6 under subsection (d)(4) (relating to evaluations of
7 the Emerson and Leland fellowships and accomplish-
8 ment of the program purposes) during that fiscal
9 year.

10 (2) A statement of the total amount of funds
11 attributable to gifts received by the program in that
12 fiscal year (as authorized under subsection
13 (g)(3)(A)), and the total amount of such funds that
14 were expended to carry out the program that fiscal
15 year.

16 (i) AUTHORIZATION OF APPROPRIATIONS.—There
17 are authorized to be appropriated \$18,000,000 to carry
18 out the provisions of this section.

19 **SEC. 462. GENERAL EFFECTIVE DATE.**

20 Except as otherwise provided in this title, the amend-
21 ments made by this title shall take effect on October 1,
22 2002.

TITLE V—CREDIT

SEC. 501. ELIGIBILITY OF LIMITED LIABILITY COMPANIES FOR FARM OWNERSHIP LOANS, FARM OPER- ATING LOANS, AND EMERGENCY LOANS.

(a) Sections 302(a), 311(a), and 321(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1922(a), 1941(a), and 1961(a)) are each amended by striking “and joint operations” each place it appears and inserting “joint operations, and limited liability companies”.

(b) Section 321(a) of such Act (7 U.S.C. 1961(a)) is amended by striking “or joint operations” each place it appears and inserting “joint operations, or limited liability companies”.

SEC. 502. SUSPENSION OF LIMITATION ON PERIOD FOR WHICH BORROWERS ARE ELIGIBLE FOR GUARANTEED ASSISTANCE.

During the period beginning January 1, 2002, and ending December 31, 2006, section 319(b) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1949(b)) shall have no force or effect.

1 **SEC. 503. ADMINISTRATION OF CERTIFIED LENDERS AND**
2 **PREFERRED CERTIFIED LENDERS PRO-**
3 **GRAMS.**

4 (a) IN GENERAL.—Section 331(b) of the Consoli-
5 dated Farm and Rural Development Act (7 U.S.C.
6 1981(b)) is amended—

7 (1) by redesignating paragraphs (2) through
8 (9) as paragraphs (3) through (10), respectively;
9 and

10 (2) by inserting after paragraph (1) the fol-
11 lowing:

12 “(2) administer the loan guarantee program
13 under section 339(c) through central offices estab-
14 lished in States or in multi-State areas, or through
15 contracts with commercial or cooperative lenders;”.

16 (b) CONFORMING AMENDMENT.—Section 331(c) of
17 such Act (7 U.S.C. 1981(c)) is amended by striking
18 “(b)(5)” and inserting “(b)(6)”.

19 **SEC. 504. SIMPLIFIED LOAN GUARANTEE APPLICATION**
20 **AVAILABLE FOR LOANS OF GREATER**
21 **AMOUNTS.**

22 Section 333A(g)(1) of the Consolidated Farm and
23 Rural Development Act (7 U.S.C. 1983a(g)(1)) is amend-
24 ed by striking “\$50,000” and inserting “\$150,000”.

1 **SEC. 505. ELIMINATION OF REQUIREMENT THAT SEC-**
2 **RETARY REQUIRE COUNTY COMMITTEES TO**
3 **CERTIFY IN WRITING THAT CERTAIN LOAN**
4 **REVIEWS HAVE BEEN CONDUCTED.**

5 Section 333 of the Consolidated Farm and Rural De-
6 velopment Act (7 U.S.C. 1983) is amended by striking
7 paragraph (2) and redesignating paragraphs (3) through
8 (5) as paragraphs (2) through (4), respectively.

9 **SEC. 506. AUTHORITY TO REDUCE PERCENTAGE OF LOAN**
10 **GUARANTEED IF BORROWER INCOME IS IN-**
11 **SUFFICIENT TO SERVICE DEBT.**

12 Section 339 of the Consolidated Farm and Rural De-
13 velopment Act (7 U.S.C. 1989) is amended—

14 (1) in subsection (c)(4)(A), by inserting “, ex-
15 cept that the Secretary may guarantee such lesser
16 percentage as the Secretary determines appropriate
17 of such a loan if the income of the borrower is less
18 than the income necessary to meet the requirements
19 of subsection (b)” before the period; and

20 (2) in subsection (d)(4)(A), by inserting “, ex-
21 cept that the Secretary may guarantee such lesser
22 percentage as the Secretary determines appropriate
23 of such a loan if the income of the borrower is less
24 than the income necessary to meet the requirements
25 of subsection (b)” before the semicolon.

1 **SEC. 507. TIMING OF LOAN ASSESSMENTS.**

2 Section 360(a) of the Consolidated Farm and Rural
3 Development Act (7 U.S.C. 2006b(a)) is amended by
4 striking “After an applicant is determined eligible for as-
5 sistance under this title by the appropriate county com-
6 mittee established pursuant to section 332, the” and in-
7 serting “The”.

8 **SEC. 508. MAKING AND SERVICING OF LOANS BY PER-**
9 **SONNEL OF STATE, COUNTY, OR AREA COM-**
10 **MITTEES.**

11 (a) IN GENERAL.—Subtitle D of the Consolidated
12 Farm and Rural Development Act (7 U.S.C. 1981–2008j)
13 is amended by adding at the end the following:

14 **“SEC. 376. MAKING AND SERVICING OF LOANS BY PER-**
15 **SONNEL OF STATE, COUNTY, OR AREA COM-**
16 **MITTEES.**

17 “The Secretary shall employ personnel of a State,
18 county or area committee established under section
19 8(b)(5) of the Soil Conservation and Domestic Allotment
20 Act (16 U.S.C 590h(b)(5)) to make and service loans
21 under this title to the extent the personnel have been
22 trained to do so.”.

23 (b) INAPPLICABILITY OF FINALITY RULE.—Section
24 281(a)(1) of the Department of Agriculture Reorganiza-
25 tion Act of 1994 (7 U.S.C. 7001(a)(1)) is amended by
26 inserting “, except functions performed pursuant to sec-

1 tion 376 of the Consolidated Farm and Rural Develop-
2 ment Act” before the period.

3 **SEC. 509. ELIGIBILITY OF EMPLOYEES OF STATE, COUNTY,**
4 **OR AREA COMMITTEE FOR LOANS AND LOAN**
5 **GUARANTEES.**

6 Subtitle D of the Consolidated Farm and Rural De-
7 velopment Act (7 U.S.C. 1981–2008j) is further amended
8 by adding at the end the following:

9 **“SEC. 377. ELIGIBILITY OF EMPLOYEES OF STATE, COUNTY,**
10 **OR AREA COMMITTEE FOR LOANS AND LOAN**
11 **GUARANTEES.**

12 “The Secretary shall not prohibit an employee of a
13 State, county or area committee established under section
14 8(b)(5) of the Soil Conservation and Domestic Allotment
15 Act (16 U.S.C. 590h(b)(5)) or an employee of the Depart-
16 ment of Agriculture from obtaining a loan or loan guar-
17 antee under subtitle A, B or C of this title if an office
18 of the Department of Agriculture other than the office in
19 which the employee is located determines that the em-
20 ployee is otherwise eligible for the loan or loan guar-
21 antee.”.

1 **SEC. 510. EMERGENCY LOANS IN RESPONSE TO AN ECO-**
2 **NOMIC EMERGENCY RESULTING FROM**
3 **SHARPLY INCREASING ENERGY COSTS.**

4 (a) LOAN AUTHORITY.—Section 321(a) of the Con-
5 solidated Farm and Rural Development Act (7 U.S.C.
6 1961(a)) is amended—

7 (1) in each of the 1st and 3rd sentences—

8 (A) by striking “a natural disaster in the
9 United States or by” and inserting “a quar-
10 antine imposed by the Secretary under the
11 Plant Protection Act or the animal quarantine
12 laws (as defined in section 2509 of the Food,
13 Agriculture, Conservation, and Trade Act of
14 1990), an economic emergency resulting from
15 sharply increasing energy costs as described in
16 section 329(b), a natural disaster in the United
17 States, or”; and

18 (B) by inserting “Robert T. Stafford” be-
19 fore “Disaster Relief and Emergency Assistance
20 Act”; and

21 (2) in the 4th sentence—

22 (A) by striking “a natural disaster” and
23 inserting “such a quarantine, economic emer-
24 gency, or natural disaster”; and

1 (B) by striking “by such natural disaster”
2 and inserting “by such quarantine, economic
3 emergency, or natural disaster”.

4 (b) CONFORMING AMENDMENT.—Section 323 of
5 such Act (7 U.S.C. 1963) is amended—

6 (1) by inserting “quarantine,” before “natural
7 disaster”; and

8 (2) by inserting “referred to in section 321(a),
9 including, notwithstanding any other provision of
10 this title, an economic emergency resulting from
11 sharply increasing energy costs as described in sec-
12 tion 329(b)” after “emergency”.

13 (c) SHARPLY INCREASING ENERGY COSTS.—Section
14 329 of such Act (7 U.S.C. 1969) is amended—

15 (1) by striking all that precedes “Secretary
16 shall” and inserting the following:

17 **“SEC. 329. LOSS CONDITIONS.**

18 “(a) IN GENERAL.—Except as provided in subsection
19 (b), the”; and

20 (2) by adding after and below the end the fol-
21 lowing:

22 “(b) LOSS RESULTING FROM SHARPLY INCREASING
23 ENERGY COSTS.—The Secretary shall make financial as-
24 sistance under this subtitle available to any applicant seek-
25 ing assistance based on an income loss resulting from

1 sharply increasing energy costs referred to in section 323
2 if—

3 “(1) the price of electricity, gasoline, diesel fuel,
4 natural gas, propane, or other equivalent fuel during
5 any 3-month period is at least 50 percent greater
6 than the average price of the same form of energy
7 during the preceding 5 years, as determined by the
8 Secretary; and

9 “(2) the income loss of the applicant is directly
10 related to expenses incurred to prevent livestock
11 mortality, the degradation of a perishable agricul-
12 tural commodity, or damage to a field crop.”.

13 (c) MAXIMUM AMOUNT OF LOAN.—Section 324(a) of
14 such Act (7 U.S.C. 1964(a)) is amended—

15 (1) by striking “or” at the end of paragraph
16 (1);

17 (2) by striking the period at the end of para-
18 graph (2) and inserting “; or”; and

19 (3) by adding at the end the following:

20 “(3) in the case of a loan made in response to
21 a quarantine or economic emergency referred to in
22 section 321, exceeds \$200,000.”.

1 **SEC. 511. EXTENSION OF AUTHORITY TO CONTRACT FOR**
2 **SERVICING OF FARMER PROGRAM LOANS.**

3 Section 331(d) of the Consolidated Farm and Rural
4 Development Act (7 U.S.C. 1981(d)) is amended—

5 (1) in the heading by striking “TEMPORARY”;

6 and

7 (2) in paragraph (5), by striking “2002” and
8 inserting “2011”.

9 **SEC. 512. AUTHORIZATION FOR LOANS.**

10 Section 346(b)(1) of the Consolidated Farm and
11 Rural Development Act (7 U.S.C. 1994(b)(1)) is amended
12 by striking “not more than the following amounts:” and
13 all that follows and inserting “such sums as may be nec-
14 essary.”.

15 **SEC. 513. RESERVATION OF FUNDS FOR DIRECT OPER-**
16 **ATING LOANS FOR BEGINNING FARMERS AND**
17 **RANCHERS.**

18 Section 346(b)(2)(A)(ii)(III) of the Consolidated
19 Farm and Rural Development Act (7 U.S.C.
20 1994(b)(2)(A)(ii)(III)) is amended by striking “2000
21 through 2002” and inserting “2002 through 2011”.

22 **SEC. 514. EXTENSION OF INTEREST RATE REDUCTION PRO-**
23 **GRAM.**

24 Section 351(a)(2) of the Consolidated Farm and
25 Rural Development Act (7 U.S.C. 1999(a)(2)) is amended
26 by striking “2002” and inserting “2011”.

1 **SEC. 515. INCREASE IN DURATION OF LOANS UNDER DOWN**
2 **PAYMENT LOAN PROGRAM.**

3 (a) IN GENERAL.—Section 310E(b)(3) of the Con-
4 solidated Farm and Rural Development Act (7 U.S.C.
5 1935(b)(3)) is amended by striking “10” and inserting
6 “15”.

7 (b) CONFORMING AMENDMENT.—Section
8 310E(c)(3)(B) of the Consolidated Farm and Rural De-
9 velopment Act (7 U.S.C. 1935(c)(3)(B)) is amended by
10 striking “10-year” and inserting “15-year”.

11 **SEC. 516. HORSE BREEDER LOANS.**

12 (a) DEFINITION OF HORSE BREEDER.—In this sec-
13 tion, the term “horse breeder” means a person that, as
14 of the date of the enactment of this Act, derives more than
15 70 percent of the income of the person from the business
16 of breeding, boarding, raising, training, or selling horses,
17 during the shorter of—

18 (1) the 5-year period ending on January 1,
19 2001; or

20 (2) the period the person has been engaged in
21 the business.

22 (b) LOAN AUTHORIZATION.—The Secretary shall
23 make a loan to an eligible horse breeder to assist the
24 breeder for losses suffered as a result of mare reproductive
25 loss syndrome.

1 (c) ELIGIBILITY.—A horse breeder shall be eligible
2 for a loan under this section if the Secretary determines
3 that, as a result of mare reproductive loss syndrome—

4 (1) during the period beginning January 1,
5 2000, and ending October 1, 2000, or during the pe-
6 riod beginning January 1, 2001, and ending October
7 1, 2001—

8 (A) 30 percent or more of the mares
9 owned by the breeder failed to conceive, mis-
10 carried, aborted, or otherwise failed to produce
11 a live healthy foal; or

12 (B) 30 percent or more of the mares
13 boarded on a farm owned, operated, or leased
14 by the breeder failed to conceive, miscarried,
15 aborted, or otherwise failed to produce a live
16 healthy foal;

17 (2) during the period beginning January 1,
18 2000, and ending on September 30, 2002, the breed-
19 er was unable to meet the financial obligations, or
20 pay the ordinary and necessary expenses, of the
21 breeder incurred in connection with breeding, board-
22 ing, raising, training, or selling horses; and

23 (3) the breeder is not able to obtain sufficient
24 credit elsewhere (within the meaning of section

1 321(a) of the Consolidated Farm and Rural Devel-
2 opment Act).

3 (d) AMOUNT.—

4 (1) IN GENERAL.—Subject to paragraph (2),
5 the Secretary shall determine the amount of a loan
6 to be made to a horse breeder under this section, on
7 the basis of the amount of losses suffered by the
8 breeder, and the financial needs of the breeder, as
9 a result of mare reproductive loss syndrome.

10 (2) MAXIMUM AMOUNT.—The amount of a loan
11 made under this section shall not exceed \$500,000.

12 (e) TERM.—

13 (1) IN GENERAL.—Subject to paragraph (2),
14 the term for repayment of a loan made to a horse
15 breeder under this section shall be determined by the
16 Secretary based on the ability of the breeder to
17 repay the loan.

18 (2) MAXIMUM TERM.—The term of a loan made
19 under this section shall not exceed 15 years.

20 (f) INTEREST RATE.—Interest shall be payable on a
21 loan made under this section, at the rate prescribed under
22 section 324(b)(1) of the Consolidated Farm and Rural De-
23 velopment Act.

1 (g) SECURITY.—Security shall be required on a loan
 2 made under this section, in accordance with section 324(d)
 3 of the Consolidated Farm and Rural Development Act.

4 (h) APPLICATION.—To be eligible to obtain a loan
 5 under this section, a horse breeder shall submit to the Sec-
 6 retary an application for the loan not later than Sep-
 7 tember 30, 2002.

8 (i) FUNDING.—The Secretary shall carry out this sec-
 9 tion using funds available for emergency loans under sub-
 10 title C of the Consolidated Farm and Rural Development
 11 Act.

12 (j) TERMINATION.—The authority provided by this
 13 section shall terminate on September 30, 2003.

14 **TITLE VI—RURAL** 15 **DEVELOPMENT**

16 **SEC. 601. FUNDING FOR RURAL LOCAL TELEVISION BROAD-** 17 **CAST SIGNAL LOAN GUARANTEES.**

18 Section 1011(a) of the Launching Our Communities'
 19 Access to Local Television Act of 2000 (title X of H.R.
 20 5548, as enacted by section 1(a)(2) of Public Law 106-
 21 553) is amended by adding at the end the following: “In
 22 addition, a total of \$200,000,000 of the funds of the Com-
 23 modity Credit Corporation shall be available during fiscal
 24 years 2002 through 2006, without fiscal year limitation,
 25 for loan guarantees under this title.”.

1 **SEC. 602. VALUE-ADDED AGRICULTURAL PRODUCT MAR-**
2 **KET DEVELOPMENT GRANTS.**

3 Section 231(a)(1) of the Agricultural Risk Protection
4 Act of 2000 (Public Law 106–224; 7 U.S.C. 1621 note)
5 is amended by striking “Of the amount made available
6 under section 261(a)(2), \$15,000,000 shall be used by the
7 Secretary” and inserting “For each of the fiscal years
8 2002 through 2011, the Secretary shall use \$50,000,000
9 of funds of the Commodity Credit Corporation”.

10 **SEC. 603. AGRICULTURE INNOVATION CENTER DEM-**
11 **ONSTRATION PROGRAM.**

12 (a) PURPOSES.—The purposes of this section are to
13 carry out a demonstration program under which agricul-
14 tural producers are provided—

15 (1) technical assistance, including engineering
16 services, applied research, scale production, and
17 similar services to enable the producers to establish
18 businesses for further processing of agricultural
19 products;

20 (2) marketing, market development, and busi-
21 ness planning;

22 (3) overall organizational, outreach, and devel-
23 opment assistance to increase the viability, growth,
24 and sustainability of value-added agricultural busi-
25 nesses.

1 (b) NATURE OF PROGRAM.—The Secretary of Agri-
2 culture (in this section referred to as the “Secretary”)
3 shall—

4 (1) make grants to eligible applicants for the
5 purposes of enabling the applicants to obtain the as-
6 sistance described in subsection (a); and

7 (2) provide assistance to eligible applicants
8 through the research and technical services of the
9 Department of Agriculture.

10 (c) ELIGIBILITY REQUIREMENTS.—

11 (1) IN GENERAL.—An applicant shall be eligible
12 for a grant and assistance described in subsection
13 (b) to establish an Agriculture Innovation Center
14 if—

15 (A) the applicant—

16 (i) has provided services similar to
17 those described in subsection (a); or

18 (ii) shows the capability of providing
19 the services;

20 (B) the application of the applicant for the
21 grant and assistance sets forth a plan, in ac-
22 cordance with regulations which shall be pre-
23 scribed by the Secretary, outlining support of
24 the applicant in the agricultural community, the
25 technical and other expertise of the applicant,

1 and the goals of the applicant for increasing
2 and improving the ability of local producers to
3 develop markets and processes for value-added
4 agricultural products;

5 (C) the applicant demonstrates that re-
6 sources (in cash or in kind) of definite value are
7 available, or have been committed to be made
8 available, to the applicant, to increase and im-
9 prove the ability of local producers to develop
10 markets and processes for value-added agricul-
11 tural products; and

12 (D) the applicant meets the requirement of
13 paragraph (2).

14 (2) BOARD OF DIRECTORS.—The requirement
15 of this paragraph is that the applicant shall have a
16 board of directors comprised of representatives of
17 the following groups:

18 (A) The 2 general agricultural organiza-
19 tions with the greatest number of members in
20 the State in which the applicant is located.

21 (B) The Department of Agriculture or
22 similar State organization or department, for
23 the State.

1 (C) Organizations representing the 4 high-
2 est grossing commodities produced in the State,
3 according to annual gross cash sales.

4 (d) GRANTS AND ASSISTANCE.—

5 (1) IN GENERAL.—Subject to subsection (g),
6 the Secretary shall make annual grants to eligible
7 applicants under this section, each of which grants
8 shall not exceed the lesser of—

9 (A) \$1,000,000; or

10 (B) twice the dollar value of the resources
11 (in cash or in kind) that the applicant has dem-
12 onstrated are available, or have been committed
13 to be made available, to the applicant in accord-
14 ance with subsection (c)(1)(C).

15 (2) INITIAL LIMITATION.—In the first year of
16 the demonstration program under this section, the
17 Secretary shall make grants under this section, on a
18 competitive basis, to not more than 5 eligible appli-
19 cants.

20 (3) EXPANSION OF DEMONSTRATION PRO-
21 GRAM.—In the second year of the demonstration
22 program under this section, the Secretary may make
23 grants under this section to not more than 10 eligi-
24 ble applicants, in addition to any entities to which
25 grants are made under paragraph (2) for such year.

1 (4) STATE LIMITATION.—In the first 3 years of
2 the demonstration program under this section, the
3 Secretary shall not make an Agricultural Innovation
4 Center Demonstration Program grant under this
5 section to more than 1 entity in a single State.

6 (e) USE OF FUNDS.—An entity to which a grant is
7 made under this section may use the grant only for the
8 following purposes, but only to the extent that the use is
9 not described in section 231(d) of the Agricultural Risk
10 Protection Act of 2000:

11 (1) Applied research.

12 (2) Consulting services.

13 (3) Hiring of employees, at the discretion of the
14 board of directors of the entity.

15 (4) The making of matching grants, each of
16 which shall be not more than \$5,000, to agricultural
17 producers, so long as the aggregate amount of all
18 such matching grants shall be not more than
19 \$50,000.

20 (5) Legal services.

21 (f) RULE OF INTERPRETATION.—This section shall
22 not be construed to prevent a recipient of a grant under
23 this section from collaborating with any other institution
24 with respect to activities conducted using the grant.

1 (g) AVAILABILITY OF FUNDS.—Of the amount made
2 available under section 231(a)(1) of the Agricultural Risk
3 Protection Act of 2000 (Public Law 106–224; 7 U.S.C.
4 1621 note), the Secretary shall use to carry out this
5 section—

6 (1) not less than \$5,000,000 for fiscal year
7 2002; and

8 (2) not less than \$10,000,000 for each of the
9 fiscal years 2003 and 2004.

10 (h) REPORT ON BEST PRACTICES.—

11 (1) EFFECTS ON THE AGRICULTURAL SEC-
12 TOR.—The Secretary shall utilize \$300,000 per year
13 of the funds made available pursuant to this section
14 to support research at any university into the effects
15 of value-added projects on agricultural producers
16 and the commodity markets. The research should
17 systematically examine possible effects on demand
18 for agricultural commodities, market prices, farm in-
19 come, and Federal outlays on commodity programs
20 using linked, long-term, global projections of the ag-
21 ricultural sector.

22 (2) DEPARTMENT OF AGRICULTURE.—Not later
23 than 3 years after the first 10 grants are made
24 under this section, the Secretary shall prepare and
25 submit to the Committee on Agriculture, Nutrition,

1 and Forestry of the Senate and to the Committee on
2 Agriculture of the House of Representatives a writ-
3 ten report on the effectiveness of the demonstration
4 program conducted under this section at improving
5 the production of value-added agricultural products
6 and on the effects of the program on the economic
7 viability of the producers, which shall include the
8 best practices and innovations found at each of the
9 Agriculture Innovation Centers established under the
10 demonstration program under this section, and de-
11 tail the number and type of agricultural projects as-
12 sisted, and the type of assistance provided, under
13 this section.

14 **SEC. 604. FUNDING OF COMMUNITY WATER ASSISTANCE**
15 **GRANT PROGRAM.**

16 (a) FUNDING.—In each of fiscal years 2002 through
17 2011, the Secretary of Agriculture shall use \$30,000,000
18 of the funds of the Commodity Credit Corporation to carry
19 out section 306A of the Consolidated Farm and Rural De-
20 velopment Act (7 U.S.C. 1926a).

21 (b) EXTENSION OF PROGRAM.—Section 306A(i) of
22 the Consolidated Farm and Rural Development Act (7
23 U.S.C. 1926a(i)) is amended by striking “2002” and in-
24 serting “2011”.

1 (c) MISCELLANEOUS AMENDMENTS.—Section 306A
 2 of such Act (7 U.S.C. 1926a) is amended—

3 (1) in the heading by striking **EMERGENCY**”;

4 (2) in subsection (a)(1)—

5 (A) by striking “after” and inserting
 6 “when”; and

7 (B) by inserting “is imminent” after “com-
 8 munities”; and

9 (3) in subsection (c), by striking “shall—” and
 10 all that follows and inserting “shall be a public or
 11 private nonprofit entity.”.

12 **SEC. 605. LOAN GUARANTEES FOR THE FINANCING OF THE**
 13 **PURCHASE OF RENEWABLE ENERGY SYS-**
 14 **TEMS.**

15 Section 4 of the Rural Electrification Act of 1936 (7
 16 U.S.C. 904) is amended—

17 (1) by inserting “(a)” before “The Secretary”;
 18 and

19 (2) by adding after and below the end the fol-
 20 lowing:

21 “(b) LOAN GUARANTEES FOR THE FINANCING OF
 22 THE PURCHASE OF RENEWABLE ENERGY SYSTEMS.—
 23 The Secretary may provide a loan guarantee, on such
 24 terms and conditions as the Secretary deems appropriate,
 25 for the purpose of financing the purchase of a renewable

1 energy system, including a wind energy system and anaer-
2 obic digestors for the purpose of energy generation, by any
3 person or individual who is a farmer, a rancher, or an
4 owner of a small business (as defined by the Secretary)
5 that is located in a rural area (as defined by the Sec-
6 retary). In providing guarantees under this subsection, the
7 Secretary shall give priority to loans used primarily for
8 power generation on a farm, ranch, or small business (as
9 so defined).”.

10 **SEC. 606. LOANS AND LOAN GUARANTEES FOR RENEWABLE**
11 **ENERGY SYSTEMS.**

12 Section 310B(a)(3) of the Consolidated Farm and
13 Rural Development Act (7 U.S.C. 1932(a)(3)) is amended
14 by inserting “and other renewable energy systems includ-
15 ing wind energy systems and anaerobic digestors for the
16 purpose of energy generation” after “solar energy sys-
17 tems”.

18 **SEC. 607. RURAL BUSINESS OPPORTUNITY GRANTS.**

19 Section 306(a)(11)(D) of the Consolidated Farm and
20 Rural Development Act (7 U.S.C. 1926(a)(11)(D)) is
21 amended by striking “2002” and inserting “2011”.

1 **SEC. 608. GRANTS FOR WATER SYSTEMS FOR RURAL AND**
2 **NATIVE VILLAGES IN ALASKA.**

3 Section 306D(d)(1) of the Consolidated Farm and
4 Rural Development Act (7 U.S.C. 1926d(d)(1)) is amend-
5 ed by striking “and 2002” and inserting “through 2011”.

6 **SEC. 609. RURAL COOPERATIVE DEVELOPMENT GRANTS.**

7 Section 310B(e)(9) of the Consolidated Farm and
8 Rural Development Act (7 U.S.C. 1932(e)(9)) is amended
9 by striking “2002” and inserting “2011”.

10 **SEC. 610. NATIONAL RESERVE ACCOUNT OF RURAL DEVEL-**
11 **OPMENT TRUST FUND.**

12 Section 381E(e)(3)(F) of the Consolidated Farm and
13 Rural Development Act (7 U.S.C. 2009d(e)(3)(F)) is
14 amended by striking “fiscal year 2002” and inserting
15 “each of the fiscal years 2002 through 2011”.

16 **SEC. 611. RURAL VENTURE CAPITAL DEMONSTRATION PRO-**
17 **GRAM.**

18 Section 381O(b)(3) of the Consolidated Farm and
19 Rural Development Act (7 U.S.C. 2009n(b)(3)) is amend-
20 ed by striking “2002” and inserting “2011”.

21 **SEC. 612. INCREASE IN LIMIT ON CERTAIN LOANS FOR**
22 **RURAL DEVELOPMENT.**

23 Section 310B(a) of the Consolidated Farm and Rural
24 Development Act (7 U.S.C. 1932(a)) is amended by strik-
25 ing “\$25,000,000” and inserting “\$100,000,000”.

1 **SEC. 613. PILOT PROGRAM FOR DEVELOPMENT AND IMPLE-**
2 **MENTATION OF STRATEGIC REGIONAL DE-**
3 **VELOPMENT PLANS.**

4 (a) DEVELOPMENT.—

5 (1) SELECTION OF STATES.—The Secretary of
6 Agriculture (in this section referred to as the “Sec-
7 retary”) shall select 10 States in which to implement
8 strategic regional development plans developed under
9 this subsection.

10 (2) GRANTS.—

11 (A) AUTHORITY.—

12 (i) IN GENERAL.—From the funds
13 made available to carry out this subsection,
14 the Secretary shall make a matching grant
15 to 1 or more entities in each State selected
16 under subsection (a), to develop a strategic
17 regional development plan that provides for
18 rural economic development in a region in
19 the State in which the entity is located.

20 (ii) PRIORITY.—In making grants
21 under this subsection, the Secretary shall
22 give priority to entities that represent a re-
23 gional coalition of community-based plan-
24 ning, development, governmental, and busi-
25 ness organizations.

1 (B) TERMS OF MATCH.—In order for an
2 entity to be eligible for a matching grant under
3 this subsection, the entity shall make a commit-
4 ment to the Secretary to provide funds for the
5 development of a strategic regional development
6 plan of the kind referred to in subparagraph
7 (A) in an amount that is not less than the
8 amount of the matching grant.

9 (C) LIMITATION.—The Secretary shall not
10 make a grant under this subsection in an
11 amount that exceeds \$150,000.

12 (3) FUNDING.—

13 (A) IN GENERAL.—The Secretary shall use
14 \$2,000,000 of the funds of the Commodity
15 Credit Corporation in each of fiscal years 2002
16 through 2011 to carry out this subsection.

17 (B) AVAILABILITY.—Funds made available
18 pursuant to subparagraph (A) shall remain
19 available without fiscal year limitation.

20 (b) STRATEGIC PLANNING IMPLEMENTATION.—

21 (1) The Secretary shall use the authorities pro-
22 vided in the provisions of law specified in section
23 793(c)(1)(A)(ii) of the Federal Agriculture Improve-
24 ment and Reform Act of 1996 to implement the

1 strategic regional development plans developed pur-
 2 suant to subsection (a) of this section.

3 (2) FUNDING.—

4 (A) IN GENERAL.—The Secretary shall use
 5 \$13,000,000 of the funds of the Commodity
 6 Credit Corporation in each of fiscal years 2002
 7 through 2011 to carry out this subsection.

8 (B) AVAILABILITY.—Funds made available
 9 pursuant to subparagraph (A) shall remain
 10 available without fiscal year limitation.

11 (c) USE OF FUNDS.—The amounts made available
 12 under subsections (a) and (b) may be used as the Sec-
 13 retary deems appropriate to carry out any provision of this
 14 section.

15 **SEC. 614. GRANTS TO NONPROFIT ORGANIZATIONS TO FI-**
 16 **NANCE THE CONSTRUCTION, REFURBISHING,**
 17 **AND SERVICING OF INDIVIDUALLY-OWNED**
 18 **HOUSEHOLD WATER WELL SYSTEMS IN**
 19 **RURAL AREAS FOR INDIVIDUALS WITH LOW**
 20 **OR MODERATE INCOMES.**

21 (a) IN GENERAL.—Subtitle A of the Consolidated
 22 Farm and Rural Development Act (7 U.S.C. 1922–1949)
 23 is amended by inserting after section 306D the following:

1 **“SEC. 306E. GRANTS TO NONPROFIT ORGANIZATIONS TO FI-**
2 **NANCE THE CONSTRUCTION, REFURBISHING,**
3 **AND SERVICING OF INDIVIDUALLY-OWNED**
4 **HOUSEHOLD WATER WELL SYSTEMS IN**
5 **RURAL AREAS FOR INDIVIDUALS WITH LOW**
6 **OR MODERATE INCOMES.**

7 “(a) DEFINITION OF ELIGIBLE INDIVIDUAL.—In this
8 section, the term ‘eligible individual’ means an individual
9 who is a member of a household, the combined income of
10 whose members for the most recent 12-month period for
11 which the information is available, is not more than 100
12 percent of the median nonmetropolitan household income
13 for the State or territory in which the individual resides,
14 according to the most recent decennial census of the
15 United States.

16 “(b) GRANTS.—The Secretary may make grants to
17 private nonprofit organizations for the purpose of assist-
18 ing eligible individuals in obtaining financing for the con-
19 struction, refurbishing, and servicing of individual house-
20 hold water well systems in rural areas that are owned (or
21 to be owned) by the eligible individuals.

22 “(c) USE OF FUNDS.—A grant made under this sec-
23 tion may be—

24 “(1) used, or invested to provide income to be
25 used, to carry out subsection (b); and

1 “(2) used to pay administrative expenses associ-
 2 ated with providing the assistance described in sub-
 3 section (b).

4 “(d) PRIORITY IN AWARDING GRANTS.—In awarding
 5 grants under this section, the Secretary shall give priority
 6 to an applicant that has substantial expertise and experi-
 7 ence in promoting the safe and productive use of individ-
 8 ually-owned household water well systems and ground
 9 water.”.

10 (b) EFFECTIVE DATE.—The amendment made by
 11 this section takes effect on October 1, 2001.

12 **SEC. 615. NATIONAL RURAL DEVELOPMENT PARTNERSHIP.**

13 Subtitle E of the Consolidated Farm and Rural De-
 14 velopment Act (7 U.S.C. 2009–2009n) is amended by add-
 15 ing at the end the following:

16 **“SEC. 381P. NATIONAL RURAL DEVELOPMENT PARTNER-**
 17 **SHIP.**

18 “(a) RURAL AREA DEFINED.—In this section, the
 19 term ‘rural area’ means such areas as the Secretary may
 20 determine.

21 “(b) ESTABLISHMENT.—There is established a Na-
 22 tional Rural Development Partnership (in this section re-
 23 ferred to as the “Partnership”), which shall be composed
 24 of—

1 “(1) the National Rural Development Coordi-
2 nating Committee established in accordance with
3 subsection (c); and

4 “(2) State rural development councils estab-
5 lished in accordance with subsection (d).

6 “(c) NATIONAL RURAL DEVELOPMENT COORDI-
7 NATING COMMITTEE.—

8 “(1) COMPOSITION.—The National Rural De-
9 velopment Coordinating Committee (in this section
10 referred to as the “Coordinating Committee”) may
11 be composed of—

12 “(A) representatives of all Federal depart-
13 ments and agencies with policies and programs
14 that affect or benefit rural areas;

15 “(B) representatives of national associa-
16 tions of State, regional, local, and tribal govern-
17 ments and intergovernmental and multi-juris-
18 dictional agencies and organizations;

19 “(C) national public interest groups; and

20 “(D) other national nonprofit organiza-
21 tions that elect to participate in the activities of
22 the Coordinating Committee.

23 “(2) FUNCTIONS.—The Coordinating Com-
24 mittee may—

1 “(A) provide support for the work of the
2 State rural development councils established in
3 accordance with subsection (d); and

4 “(B) develop and facilitate strategies to re-
5 duce or eliminate conflicting or duplicative ad-
6 ministrative and regulatory impediments con-
7 fronting rural areas.

8 “(d) STATE RURAL DEVELOPMENT COUNCILS.—

9 “(1) COMPOSITION.—A State rural development
10 council may—

11 “(A) be composed of representatives of
12 Federal, State, local, and tribal governments,
13 and nonprofit organizations, the private sector,
14 and other entities committed to rural advance-
15 ment; and

16 “(B) have a nonpartisan and nondiscrim-
17 inatory membership that is broad and rep-
18 resentative of the economic, social, and political
19 diversity of the State.

20 “(2) FUNCTIONS.—A State rural development
21 council may—

22 “(A) facilitate collaboration among Fed-
23 eral, State, local, and tribal governments and
24 the private and non-profit sectors in the plan-
25 ning and implementation of programs and poli-

1 cies that affect the rural areas of the State, and
 2 to do so in such a way that provides the great-
 3 est degree of flexibility and innovation in re-
 4 sponding to the unique needs of the State and
 5 the rural areas; and

6 “(B) in conjunction with the Coordinating
 7 Committee, develop and facilitate strategies to
 8 reduce or eliminate conflicting or duplicative
 9 administrative and regulatory impediments con-
 10 fronting the rural areas of the State.

11 “(e) ADMINISTRATION OF THE PARTNERSHIP.—The
 12 Secretary may provide for any additional support staff to
 13 the Partnership as the Secretary determines to be nec-
 14 essary to carry out the duties of the Partnership.

15 “(f) TERMINATION.—The authority provided by this
 16 section shall terminate on the date that is 5 years after
 17 the date of the enactment of this section.”.

18 **TITLE VII—RESEARCH AND**
 19 **RELATED MATTERS**
 20 **Subtitle A—Extensions**

21 **SEC. 700. MARKET EXPANSION RESEARCH.**

22 Section 1436(b)(3)(C) of the Food Security Act of
 23 1985 (7 U.S.C. 1632(b)(3)(c)) is amended by striking
 24 “1990” and inserting “2011”.

1 **SEC. 701. NATIONAL RURAL INFORMATION CENTER CLEAR-**
2 **INGHOUSE.**

3 Section 2381(e) of the Food, Agriculture, Conserva-
4 tion, and Trade Act of 1990 (7 U.S.C. 3125b(e)) is
5 amended by striking “2002” and inserting “2011”.

6 **SEC. 702. GRANTS AND FELLOWSHIPS FOR FOOD AND AGRI-**
7 **CULTURAL SCIENCES EDUCATION.**

8 Section 1417(l) of the National Agricultural Re-
9 search, Extension, and Teaching Policy Act of 1977 (7
10 U.S.C. 3152(l)) is amended by striking “2002” and in-
11 serting “2011”.

12 **SEC. 703. POLICY RESEARCH CENTERS.**

13 Section 1419A(d) of the National Agricultural Re-
14 search, Extension, and Teaching Policy Act of 1977 (7
15 U.S.C. 3155(d)) is amended by striking “2002” and in-
16 serting “2011”.

17 **SEC. 704. HUMAN NUTRITION INTERVENTION AND HEALTH**
18 **PROMOTION RESEARCH PROGRAM.**

19 Section 1424(d) of the National Agricultural Re-
20 search, Extension, and Teaching Policy Act of 1977 (7
21 U.S.C. 3174(d)) is amended by striking “2002” and in-
22 serting “2011”.

23 **SEC. 705. PILOT RESEARCH PROGRAM TO COMBINE MED-**
24 **ICAL AND AGRICULTURAL RESEARCH.**

25 Section 1424A(d) of the National Agricultural Re-
26 search, Extension, and Teaching Policy Act of 1977 (7

1 U.S.C. 3174a(d)) is amended by striking “2002” and in-
2 serting “2011”.

3 **SEC. 706. NUTRITION EDUCATION PROGRAM.**

4 Section 1425(c)(3) of the National Agricultural Re-
5 search, Extension, and Teaching Policy Act of 1977 (7
6 U.S.C. 3175(c)(3)) is amended by striking “2002” and
7 inserting “2011”.

8 **SEC. 707. CONTINUING ANIMAL HEALTH AND DISEASE RE-**
9 **SEARCH PROGRAMS.**

10 Section 1433(a) of the National Agricultural Re-
11 search, Extension, and Teaching Policy Act of 1977 (7
12 U.S.C. 3195(a)) is amended by striking “2002” and in-
13 serting “2011”.

14 **SEC. 708. APPROPRIATIONS FOR RESEARCH ON NATIONAL**
15 **OR REGIONAL PROBLEMS.**

16 Section 1434(a) of the National Agricultural Re-
17 search, Extension, and Teaching Policy Act of 1977 (7
18 U.S.C. 3196(a)) is amended by striking “2002” and in-
19 serting “2011”.

20 **SEC. 709. GRANTS TO UPGRADE AGRICULTURAL AND FOOD**
21 **SCIENCES FACILITIES AT 1890 LAND-GRANT**
22 **COLLEGES, INCLUDING TUSKEGEE UNIVER-**
23 **SITY.**

24 Section 1447(b) of the National Agricultural Re-
25 search, Extension, and Teaching Policy Act of 1977 (7

1 U.S.C. 3222b(b)) is amended by striking “2002” and in-
2 serting “2011”.

3 **SEC. 710. NATIONAL RESEARCH AND TRAINING CENTEN-**
4 **NIAL CENTERS AT 1890 LAND-GRANT INSTITU-**
5 **TIONS.**

6 Sections 1448(a)(1) and (f) of the National Agricul-
7 tural Research, Extension, and Teaching Policy Act of
8 1977 (7 U.S.C. 3222c(a)(1) and (f)) are amended by
9 striking “2002” each place it appears and inserting
10 “2011”.

11 **SEC. 711. HISPANIC-SERVING INSTITUTIONS.**

12 Section 1455(c) of the National Agricultural Re-
13 search, Extension, and Teaching Policy Act of 1977 (7
14 U.S.C. 3241(c)) is amended by striking “2002” and in-
15 serting “2011”.

16 **SEC. 712. COMPETITIVE GRANTS FOR INTERNATIONAL AG-**
17 **RICULTURAL SCIENCE AND EDUCATION PRO-**
18 **GRAMS.**

19 Section 1459A(c) of the National Agricultural Re-
20 search, Extension, and Teaching Policy Act of 1977 (7
21 U.S.C. 3292b(c)) is amended by striking “2002” and in-
22 serting “2011”.

23 **SEC. 713. UNIVERSITY RESEARCH.**

24 Subsections (a) and (b) of section 1463 of the Na-
25 tional Agricultural Research, Extension, and Teaching

1 Policy Act of 1977 (7 U.S.C. 3311(a) and (b)) are amend-
2 ed by striking “2002” each place it appears and inserting
3 “2011”.

4 **SEC. 714. EXTENSION SERVICE.**

5 Section 1464 of the National Agricultural Research,
6 Extension, and Teaching Policy Act of 1977 (7 U.S.C.
7 3312) is amended by striking “2002” and inserting
8 “2011”.

9 **SEC. 715. SUPPLEMENTAL AND ALTERNATIVE CROPS.**

10 Section 1473D(a) of the National Agricultural Re-
11 search, Extension, and Teaching Policy Act of 1977 (7
12 U.S.C. 3319d(a)) is amended by striking “2002” and in-
13 serting “2011”.

14 **SEC. 716. AQUACULTURE RESEARCH FACILITIES.**

15 The first sentence of section 1477 of the National
16 Agricultural Research, Extension, and Teaching Policy
17 Act of 1977 (7 U.S.C. 3324) is amended by striking
18 “2002” and inserting “2011”.

19 **SEC. 717. RANGELAND RESEARCH.**

20 Section 1483(a) of the National Agricultural Re-
21 search, Extension, and Teaching Policy Act of 1977 (7
22 U.S.C. 3336(a)) is amended by striking “2002” and in-
23 serting “2011”.

1 **SEC. 718. NATIONAL GENETICS RESOURCES PROGRAM.**

2 Section 1635(b) of the Food, Agriculture, Conserva-
3 tion, and Trade Act of 1990 (7 U.S.C. 5844(b)) is amend-
4 ed by striking “1995” and inserting “2011”.

5 **SEC. 719. HIGH-PRIORITY RESEARCH AND EXTENSION INI-**
6 **TIATIVES.**

7 Section 1672(h) of the Food, Agriculture, Conserva-
8 tion, and Trade Act of 1990 (7 U.S.C. 5925(h)) is amend-
9 ed by striking “2002” and inserting “2011”.

10 **SEC. 720. NUTRIENT MANAGEMENT RESEARCH AND EXTEN-**
11 **SION INITIATIVE.**

12 Section 1672A(g) of the Food, Agriculture, Conserva-
13 tion, and Trade Act of 1990 (7 U.S.C. 5925a(g)) is
14 amended by striking “2002” and inserting “2011”.

15 **SEC. 721. AGRICULTURAL TELECOMMUNICATIONS PRO-**
16 **GRAM.**

17 Section 1673(h) of the Food, Agriculture, Conserva-
18 tion, and Trade Act of 1990 (7 U.S.C. 5926(h)) is amend-
19 ed by striking “2002” and inserting “2011”.

20 **SEC. 722. ALTERNATIVE AGRICULTURAL RESEARCH AND**
21 **COMMERCIALIZATION REVOLVING FUND.**

22 (a) AUTHORIZATION OF APPROPRIATIONS.—Section
23 1664(g)(1) of the Food, Agriculture, Conservation, and
24 Trade Act of 1990 (7 U.S.C. 5908(g)(1)) is amended by
25 striking “2002” and inserting “2011”.

1 (b) CAPITALIZATION.—Section 1664(g)(2) of such
2 Act (7 U.S.C. 5908(g)(2)) is amended by striking “2002”
3 and inserting “2011”.

4 **SEC. 723. ASSISTIVE TECHNOLOGY PROGRAM FOR FARM-**
5 **ERS WITH DISABILITIES.**

6 Section 1680(c)(1) of the Food, Agriculture, Con-
7 servation, and Trade Act of 1990 (7 U.S.C. 5933(c)(1))
8 is amended by striking “2002” and inserting “2011”.

9 **SEC. 724. PARTNERSHIPS FOR HIGH-VALUE AGRICULTURAL**
10 **PRODUCT QUALITY RESEARCH.**

11 Section 402(g) of the Agricultural Research, Exten-
12 sion, and Education Reform Act of 1998 (7 U.S.C.
13 7622(g)) is amended by striking “2002” and inserting
14 “2011”.

15 **SEC. 725. BIOBASED PRODUCTS.**

16 (a) PILOT PROJECT.—Section 404(e)(2) of the Agri-
17 cultural Research, Extension, and Education Reform Act
18 of 1998 (7 U.S.C. 7624(e)(2)) is amended by striking
19 “2001” and inserting “2011”.

20 (b) AUTHORIZATION OF APPROPRIATIONS.—Section
21 404(h) of such Act (7 U.S.C. 7624(h)) is amended by
22 striking “2002” and inserting “2011”.

1 **SEC. 726. INTEGRATED RESEARCH, EDUCATION, AND EX-**
2 **TENSION COMPETITIVE GRANTS PROGRAM.**

3 Section 406(e) of the Agricultural Research, Exten-
4 sion, and Education Reform Act of 1998 (7 U.S.C.
5 7626(e)) is amended by striking “2002” and inserting
6 “2011”.

7 **SEC. 727. INSTITUTIONAL CAPACITY BUILDING GRANTS.**

8 (a) GENERALLY.—Section 535(b)(1) of the Equity in
9 Educational Land-Grant Status Act of 1994 (7 U.S.C.
10 301 note) is amended by striking “2000” and inserting
11 “2011”.

12 (b) AUTHORIZATION OF APPROPRIATIONS.—Section
13 535(c) of such Act is amended by striking “2000” and
14 inserting “2011”.

15 **SEC. 728. 1994 INSTITUTION RESEARCH GRANTS.**

16 Section 536(c) of the Equity in Educational Land-
17 Grant Status Act of 1994 (7 U.S.C. 301 note) is amended
18 by striking “2002” and inserting “2011”.

19 **SEC. 729. ENDOWMENT FOR 1994 INSTITUTIONS.**

20 The first sentence of section 533(b) of the Equity in
21 Educational Land-Grant Status Act of 1994 (7 U.S.C.
22 301 note) is amended by striking “\$4,600,000” and all
23 that follows through the period and inserting “such sums
24 as are necessary to carry out this section for each of fiscal
25 years 1996 through 2011.”.

1 **SEC. 730. PRECISION AGRICULTURE.**

2 Section 403(i) of the Agricultural Research, Exten-
3 sion, and Education Reform Act of 1998 (7 U.S.C.
4 7623(i)) is amended by striking “2002” and inserting
5 “2011”.

6 **SEC. 731. THOMAS JEFFERSON INITIATIVE FOR CROP DI-**
7 **VERSIFICATION.**

8 Section 405(h) of the Agricultural Research, Exten-
9 sion, and Education Reform Act of 1998 (7 U.S.C.
10 7625(h)) is amended by striking “2002” and inserting
11 “2011”.

12 **SEC. 732. SUPPORT FOR RESEARCH REGARDING DISEASES**
13 **OF WHEAT, TRITICALE, AND BARLEY CAUSED**
14 **BY FUSARIUM GRAMINEARUM OR BY**
15 **TILLETIA INDICA.**

16 Section 408(e) of the Agricultural Research, Exten-
17 sion, and Education Reform Act of 1998 (7 U.S.C.
18 7628(e)) is amended by striking “2002” and inserting
19 “2011”.

20 **SEC. 733. OFFICE OF PEST MANAGEMENT POLICY.**

21 Section 614(f) of the Agricultural Research, Exten-
22 sion, and Education Reform Act of 1998 (7 U.S.C.
23 7653(f)) is amended by striking “2002” and inserting
24 “2011”.

1 **SEC. 734. NATIONAL AGRICULTURAL RESEARCH, EXTEN-**
2 **SION, EDUCATION, AND ECONOMICS ADVI-**
3 **SORY BOARD.**

4 Section 1408(h) of the National Agricultural Re-
5 search, Extension, and Teaching Policy Act of 1977 (7
6 U.S.C. 3123(h)) is amended by striking “2002” and in-
7 serting “2011”.

8 **SEC. 735. GRANTS FOR RESEARCH ON PRODUCTION AND**
9 **MARKETING OF ALCOHOLS AND INDUSTRIAL**
10 **HYDROCARBONS FROM AGRICULTURAL COM-**
11 **MODITIES AND FOREST PRODUCTS.**

12 Section 1419(d) of the National Agricultural Re-
13 search, Extension, and Teaching Policy Act of 1977 (7
14 U.S.C. 3154(d)) is amended by striking “2002” and in-
15 serting “2011”.

16 **SEC. 736. BIOMASS RESEARCH AND DEVELOPMENT.**

17 Title III of the Agricultural Risk Protection Act of
18 2000 (7 U.S.C. 7624 note) is amended—

19 (1) in section 307(f), by striking “2005” and
20 inserting “2011”; and

21 (2) in section 310, by striking “2005” and in-
22 serting “2011”.

1 **SEC. 737. AGRICULTURAL EXPERIMENT STATIONS RE-**
 2 **SEARCH FACILITIES.**

3 Section 6(a) of the Research Facilities Act (7 U.S.C.
 4 390d(a)) is amended by striking “2002” and inserting
 5 “2011”.

6 **SEC. 738. COMPETITIVE, SPECIAL, AND FACILITIES RE-**
 7 **SEARCH GRANTS NATIONAL RESEARCH INI-**
 8 **TIATIVE.**

9 Subsection (b)(10) of the Competitive, Special, and
 10 Facilities Research Grant Act (7 U.S.C. 450i(b)(10)) is
 11 amended by striking “2002” and inserting “2011”.

12 **SEC. 739. FEDERAL AGRICULTURAL RESEARCH FACILITIES**
 13 **AUTHORIZATION OF APPROPRIATIONS.**

14 Section 1431 of the National Agricultural Research,
 15 Extension, and Teaching Policy Act Amendments of 1985
 16 (Public Law 99–198; 99 Stat. 1556) is amended by strik-
 17 ing “2002” and inserting “2011”.

18 **Subtitle B—Modifications**

19 **SEC. 741. EQUITY IN EDUCATIONAL LAND-GRANT STATUS**
 20 **ACT OF 1994.**

21 (a) AUTHORIZATION OF APPROPRIATIONS.—Section
 22 534(a)(1)(A) of the Equity in Educational Land-Grant
 23 Status Act of 1994 (7 U.S.C. 301 note) is amended by
 24 striking “\$50,000” and inserting “\$100,000”.

25 (b) WITHDRAWALS AND EXPENDITURES.—Section
 26 533(c)(4)(A) of such Act is amended by striking “section

1 390(3)” and all that follows through “1998))” and insert-
 2 ing “section 2(a)(7) of the Tribally Controlled College or
 3 University Assistance Act of 1978)”.

4 (c) ACCREDITATION.—Section 533(a)(3) of such Act
 5 is amended by striking “under sections 534 and 535” and
 6 inserting “under sections 534, 535, and 536”.

7 (d) 1994 INSTITUTIONS.—Section 532 of such Act is
 8 amended by striking paragraphs (1) through (30) and in-
 9 serting the following:

10 “(1) Bay Mills Community College.

11 “(2) Blackfeet Community College.

12 “(3) Cankdeska Cikana Community College.

13 “(4) College of Menominee Nation.

14 “(5) Crownpoint Institute of Technology.

15 “(6) D–Q University.

16 “(7) Diné College.

17 “(8) Dull Knife Memorial College.

18 “(9) Fond du Lac Tribal and Community Col-
 19 lege.

20 “(10) Fort Belknap College.

21 “(11) Fort Berthold Community College.

22 “(12) Fort Peck Community College.

23 “(13) Haskell Indian Nations University.

24 “(14) Institute of American Indian and Alaska
 25 Native Culture and Arts Development.

1 “(15) Lac Courte Oreilles Ojibwa Community
2 College.

3 “(16) Leech Lake Tribal College.

4 “(17) Little Big Horn College.

5 “(18) Little Priest Tribal College.

6 “(19) Nebraska Indian Community College.

7 “(20) Northwest Indian College.

8 “(21) Oglala Lakota College.

9 “(22) Salish Kootenai College.

10 “(23) Sinte Gleska University.

11 “(24) Sisseton Wahpeton Community College.

12 “(25) Si Tanka/Huron University.

13 “(26) Sitting Bull College.

14 “(27) Southwestern Indian Polytechnic Insti-
15 tute.

16 “(28) Stone Child College.

17 “(29) Turtle Mountain Community College.

18 “(30) United Tribes Technical College.”.

19 **SEC. 742. NATIONAL AGRICULTURAL RESEARCH, EXTEN-**
20 **SION, AND TEACHING POLICY ACT OF 1977.**

21 Section 1404(4) of the National Agricultural Re-
22 search, Extension, and Teaching Policy Act of 1977 (7
23 U.S.C. 3103(4)) is amended—

24 (1) by striking “and” after subparagraph (D);

1 (2) by striking the period at the end of sub-
2 paragraph (E) and inserting “, or”; and

3 (3) by adding at the end the following: “(F) is
4 one of the 1994 Institutions (as defined in section
5 532 of the Equity in Educational Land-Grant Sta-
6 tus Act of 1994).”.

7 **SEC. 743. AGRICULTURAL RESEARCH, EXTENSION, AND**
8 **EDUCATION REFORM ACT OF 1998.**

9 (a) **PRIORITY MISSION AREAS.**—Section 401(c)(2) of
10 the Agricultural Research, Extension, and Education Re-
11 form Act of 1998 (7 U.S.C. 7621(c)(2)) is amended—

12 (1) by striking “and” at the end of subpara-
13 graph (E);

14 (2) by striking the period at the end of sub-
15 paragraph (F) and inserting “; and”; and

16 (3) by adding at the end the following new sub-
17 paragraph:

18 “(G) alternative fuels and renewable en-
19 ergy sources.”.

20 (b) **PRECISION AGRICULTURE.**—Section 403 of the
21 Agricultural Research, Extension, and Education Reform
22 Act of 1998 (7 U.S.C. 7623) is amended—

23 (1) in subsection (a)(5)(F), by inserting “(in-
24 cluding improved use of energy inputs)” after “farm
25 production efficiencies”; and

1 (2) in subsection (d)—

2 (A) by redesignating paragraphs (4) and
3 (5) as paragraphs (5) and (6), respectively; and

4 (B) by inserting after paragraph (3) the
5 following new paragraph:

6 “(4) Improve on farm energy use efficiencies.”.

7 (c) THOMAS JEFFERSON INITIATIVE FOR CROP DI-
8 VERSIFICATION.—Section 405(a) of the Agricultural Re-
9 search, Extension, and Education Reform Act of 1998 (7
10 U.S.C. 7625(a)) is amended by striking “and marketing”
11 and inserting “, marketing, and efficient use”.

12 (d) COORDINATED PROGRAM OF RESEARCH, EXTEN-
13 SION, AND EDUCATION TO IMPROVE VIABILITY OF
14 SMALL- AND MEDIUM-SIZE DAIRY, LIVESTOCK, AND
15 POULTRY OPERATIONS.—Section 407(b)(3) of the Agri-
16 cultural Research, Extension, and Education Reform Act
17 of 1998 (7 U.S.C. 7627(b)(3)) is amended by inserting
18 “(including improved use of energy inputs)” after “poultry
19 systems that increase efficiencies”.

20 (e) SUPPORT FOR RESEARCH REGARDING DISEASES
21 OF WHEAT, TRITICALE, AND BARLEY CAUSED BY FUSAR-
22 IUM GRAMINEARUM OR BY TILLETIA INDICA.—

23 (1) RESEARCH GRANT AUTHORIZED.—Section
24 408(a) of the Agricultural Research, Extension, and

1 Education Reform Act of 1998 (7 U.S.C. 7628(a))
2 is amended to read as follows:

3 “(a) RESEARCH GRANT AUTHORIZED.—The Sec-
4 retary of Agriculture may make grants to consortia of
5 land-grant colleges and universities to enhance the ability
6 of the consortia to carry out multi-State research projects
7 aimed at understanding and combating diseases of wheat,
8 triticale, and barley caused by *Fusarium graminearum*
9 and related fungi (referred to in this section as ‘wheat
10 scab’) or by *Tilletia indica* and related fungi (referred to
11 in this section as ‘Karnal bunt’).”.

12 (2) RESEARCH COMPONENTS.—Section 408(b)
13 of such Act (7 U.S.C. 7628(b)) is amended—

14 (A) in paragraph (1), by inserting “or of
15 Karnal bunt,” after “epidemiology of wheat
16 scab”;

17 (B) in paragraph (1), by inserting “,
18 triticale,” after “occurring in wheat”;

19 (C) in paragraph (2), by inserting “or
20 Karnal bunt” after “wheat scab”;

21 (D) in paragraph (3)(A), by striking “and
22 barley for the presence of” and inserting “,
23 triticale, and barley for the presence of Karnal
24 bunt or of”;

1 (E) in paragraph (3)(B), by striking “and
 2 barley infected with wheat scab” and inserting
 3 “, triticale, and barley infected with wheat scab
 4 or with Karnal bunt”;

5 (F) in paragraph (3)(C), by inserting
 6 “wheat scab” after “to render”;

7 (G) in paragraph (4), by striking “and
 8 barley to wheat scab” and inserting “, triticale,
 9 and barley to wheat scab and to Karnal bunt”;
 10 and

11 (H) in paragraph (5)—

12 (i) by inserting “and Karnal bunt”
 13 after “wheat scab”; and

14 (ii) by inserting “, triticale,” after
 15 “resistant wheat”.

16 (3) COMMUNICATIONS NETWORKS.—Section
 17 408(c) of such Act (7 U.S.C. 7628(c)) is amended
 18 by inserting “or Karnal bunt” after “wheat scab”.

19 (4) TECHNICAL AMENDMENTS.—(A) The sec-
 20 tion heading for section 408 of such Act is amended
 21 by striking “**AND BARLEY CAUSED BY FUSARIUM**
 22 **GRAMINEARUM**” and inserting “, **TRITICALE,**
 23 **AND BARLEY CAUSED BY FUSARIUM**
 24 **GRAMINEARUM OR BY TILLETIA INDICA**”.

1 (B) The table of sections for such Act is
2 amended by striking “and barley caused by fusarium
3 graminearum” in the item relating to section 408
4 and inserting “, triticales, and barley caused by Fu-
5 sarium graminearum or by Tilletia indica”.

6 **SEC. 744. FOOD, AGRICULTURE, CONSERVATION, AND**
7 **TRADE ACT OF 1990.**

8 (a) AGRICULTURAL GENOME INITIATIVE.—Section
9 1671(b) of the Food, Agriculture, Conservation, and
10 Trade Act of 1990 (7 U.S.C. 5924(b)) is amended—

11 (1) in paragraph (3), by inserting “pathogens
12 and” before “diseases causing economic hardship”;

13 (2) in paragraph (6), by striking “and” at the
14 end;

15 (3) by redesignating paragraph (7) as para-
16 graph (8); and

17 (4) by inserting after paragraph (6) the fol-
18 lowing new paragraph:

19 “(7) reducing the economic impact of plant
20 pathogens on commercially important crop plants;
21 and”.

22 (b) HIGH-PRIORITY RESEARCH AND EXTENSION INI-
23 TIATIVES.—Section 1672(e) of the Food, Agriculture,
24 Conservation, and Trade Act of 1990 (7 U.S.C. 5925) is

1 amended by adding at the end the following new para-
2 graphs:

3 “(25) RESEARCH TO PROTECT THE UNITED
4 STATES FOOD SUPPLY AND AGRICULTURE FROM
5 BIOTERRORISM.—Research grants may be made
6 under this section for the purpose of developing
7 technologies, which support the capability to deal
8 with the threat of agricultural bioterrorism.

9 “(26) WIND EROSION RESEARCH AND EXTEN-
10 SION.—Research and extension grants may be made
11 under this section for the purpose of validating wind
12 erosion models.

13 “(27) CROP LOSS RESEARCH AND EXTEN-
14 SION.—Research and extension grants may be made
15 under this section for the purpose of validating crop
16 loss models.

17 “(28) LAND USE MANAGEMENT RESEARCH AND
18 EXTENSION.—Research and extension grants may be
19 made under this section for the purposes of evalu-
20 ating the environmental benefits of land use man-
21 agement tools such as those provided in the Farm-
22 land Protection Program.

23 “(29) WATER AND AIR QUALITY RESEARCH
24 AND EXTENSION.—Research and extension grants
25 may be made under this section for the purpose of

1 better understanding agricultural impacts to air and
2 water quality and means to address them.

3 “(30) REVENUE AND INSURANCE TOOLS RE-
4 SEARCH AND EXTENSION.—Research and extension
5 grants may be made under this section for the pur-
6 poses of better understanding the impact of revenue
7 and insurance tools on farm income.

8 “(31) AGROTOURISM RESEARCH AND EXTEN-
9 SION.—Research and extension grants may be made
10 under this section for the purpose of better under-
11 standing the economic, environmental, and food sys-
12 tems impacts on agrotourism.

13 “(32) HARVESTING PRODUCTIVITY FOR FRUITS
14 AND VEGETABLES.—Research and extension grants
15 may be made under this section for the purpose of
16 improving harvesting productivity for fruits and
17 vegetables (including citrus), including the develop-
18 ment of mechanical harvesting technologies and ef-
19 fective, economical, and safe abscission compounds.

20 “(33) NITROGEN-FIXATION BY PLANTS.—Re-
21 search and extension grants may be made under this
22 section for the purpose of enhancing the nitrogen-
23 fixing ability and efficiency of legumes, developing
24 new varieties of legumes that fix nitrogen more effi-
25 ciently, and developing new varieties of other com-

1 mercially important crops that potentially are able to
2 fix nitrogen.

3 “(34) AGRICULTURAL MARKETING.—Extension
4 grants may be made under this section for the pur-
5 pose of providing education materials, information,
6 and outreach programs regarding commodity and
7 livestock marketing strategies for agricultural pro-
8 ducers and for cooperatives and other marketers of
9 any agricultural commodity, including livestock.

10 “(35) ENVIRONMENT AND PRIVATE LANDS RE-
11 SEARCH AND EXTENSION.—Research and extension
12 grants may be made under this section for the pur-
13 pose of researching the use of computer models to
14 aid in assessment of best management practices on
15 a watershed basis, working with government, indus-
16 try, and private landowners to help craft industry-
17 led solutions to identified environmental issues, re-
18 searching and monitoring water, air, or soil environ-
19 mental quality to aid in the development of new ap-
20 proaches to local environmental concerns, and work-
21 ing with local, State, and federal officials to help
22 craft effective environmental solutions that respect
23 private property rights and agricultural production
24 realities.

1 “(36) LIVESTOCK DISEASE RESEARCH AND EX-
 2 TENSION.—Research and extension grants may be
 3 made under this section for the purpose of identi-
 4 fying possible livestock disease threats, educating the
 5 public regarding livestock disease threats, training
 6 persons to deal with such threats, and conducting
 7 related research.”.

8 **SEC. 745. NATIONAL AGRICULTURAL RESEARCH, EXTEN-**
 9 **SION, AND TEACHING POLICY ACT OF 1977.**

10 (a) NATIONAL AGRICULTURAL RESEARCH, EXTEN-
 11 SION, EDUCATION, AND ECONOMIC ADVISORY BOARD.—
 12 Section 1408 of the National Agricultural Research, Ex-
 13 tension, and Teaching Policy Act of 1977 (7 U.S.C. 3123)
 14 is amended—

15 (1) in subsection (b)(3)—

16 (A) by redesignating subparagraphs (R)
 17 through (DD) as subparagraphs (S) through
 18 (EF), respectively; and

19 (B) by inserting after subparagraph (Q)
 20 the following new subparagraph:

21 “(R) 1 member representing a nonland
 22 grant college or university with a historic com-
 23 mitment to research in the food and agricul-
 24 tural sciences.”;

1 (2) in subsection (c)(1), by striking “and land-
2 grant colleges and universities” and inserting “,
3 land-grant colleges and universities, and the Com-
4 mittee on Agriculture of the House of Representa-
5 tives, the Committee on Agriculture, Nutrition, and
6 Forestry of the Senate, the Subcommittee on Agri-
7 culture, Rural Development, Food and Drug Admin-
8 istration and Related Agencies of the Committee on
9 Appropriations of the House of Representatives, and
10 the Subcommittee on Agriculture, Rural Develop-
11 ment and Related Agencies of the Committee on Ap-
12 propriations of the Senate”; and

13 (3) in subsection (d)(1), inserting “consult with
14 any appropriate agencies of the Department of Agri-
15 culture and” after “the Advisory Board shall”.

16 (b) GRANTS FOR RESEARCH ON PRODUCTION AND
17 MARKETING OF ALCOHOLS AND INDUSTRIAL HYDRO-
18 CARBONS FROM AGRICULTURAL COMMODITIES AND FOR-
19 EST PRODUCTS.—Section 1419 of the National Agricul-
20 tural Research, Extension, and Teaching Policy Act of
21 1977 (7 U.S.C. 3154) is amended—

22 (1) in subsection (a)(2), by inserting “and ani-
23 mal fats and oils” after “industrial oilseed crops”;
24 and

1 (2) in subsection (a)(4), by inserting “or
2 triglycerides” after “other industrial hydrocarbons”.

3 (c) FAS OVERSEAS INTERN PROGRAM.—Section
4 1458(a) of the National Agricultural Research, Extension,
5 and Teaching Policy Act of 1977 (7 U.S.C. 3291(a)) is
6 amended—

7 (1) by striking “and” at the end of paragraph
8 (8);

9 (2) by striking the period at the end of para-
10 graph (9) and inserting “; and”; and

11 (3) by adding at the end the following new
12 paragraph:

13 “(10) establish a program, to be coordinated by
14 the Cooperative State Research, Education, and Ex-
15 tension Service and the Foreign Agricultural Service,
16 to place interns from United States colleges and uni-
17 versities at Foreign Agricultural Service field offices
18 overseas.”.

19 **SEC. 746. BIOMASS RESEARCH AND DEVELOPMENT.**

20 Title III of the Agricultural Risk Protection Act of
21 2000 (7 U.S.C. 7624 note) is amended—

22 (1) in section 302(3), by inserting “or bio-
23 diesel” after “such as ethanol”;

24 (2) in section 303(3), by inserting “animal by-
25 products,” after “fibers”; and

1 (3) in section 306(b)(1)—

2 (A) by redesignating subparagraphs (E)
3 through (J) as subparagraphs (F) through (K),
4 respectively; and

5 (B) by inserting after subparagraph (D)
6 the following new subparagraph:

7 “(E) an individual affiliated with a live-
8 stock trade association;”.

9 **SEC. 747. BIOTECHNOLOGY RISK ASSESSMENT RESEARCH.**

10 Section 1668 of the Food, Agriculture, Conservation,
11 and Trade Act of 1990 (7 U.S.C. 5921) is amended to
12 read as follows:

13 **“SEC. 1668. BIOTECHNOLOGY RISK ASSESSMENT RE-**
14 **SEARCH.**

15 “(a) PURPOSE.—It is the purpose of this section—

16 “(1) to authorize and support environmental as-
17 sessment research to help identify and analyze envi-
18 ronmental effects of biotechnology; and

19 “(2) to authorize research to help regulators de-
20 velop long-term policies concerning the introduction
21 of such technology.

22 “(b) GRANT PROGRAM.— The Secretary of Agri-
23 culture shall establish a grant program within the Cooper-
24 ative State Research, Education, and Extension Service
25 and the Agricultural Research Service to provide the nec-

1 essary funding for environmental assessment research
2 concerning the introduction of genetically engineered
3 plants and animals into the environment.

4 “(c) TYPES OF RESEARCH.— Types of research for
5 which grants may be made under this section shall include
6 the following:

7 “(1) Research designed to identify and develop
8 appropriate management practices to minimize phys-
9 ical and biological risks associated with genetically
10 engineered animals and plants once they are intro-
11 duced into the environment.

12 “(2) Research designed to develop methods to
13 monitor the dispersal of genetically engineered ani-
14 mals and plants.

15 “(3) Research designed to further existing
16 knowledge with respect to the characteristics, rates
17 and methods of gene transfer that may occur be-
18 tween genetically engineered plants and animals and
19 related wild and agricultural organisms.

20 “(4) Environmental assessment research de-
21 signed to provide analysis, which compares the rel-
22 ative impacts of plants and animals modified
23 through genetic engineering to other types of pro-
24 duction systems.

1 “(5) Other areas of research designed to fur-
2 ther the purposes of this section.

3 “(d) ELIGIBILITY REQUIREMENTS.—Grants under
4 this section shall be—

5 “(1) made on the basis of the quality of the
6 proposed research project; and

7 “(2) available to any public or private research
8 or educational institution or organization.

9 “(e) CONSULTATION.—In considering specific areas
10 of research for funding under this section, the Secretary
11 of Agriculture shall consult with the Administrator of the
12 Animal and Plant Health Inspection Service and the Na-
13 tional Agricultural Research, Extension, Education, and
14 Economics Advisory Board.

15 “(f) PROGRAM COORDINATION.—The Secretary of
16 Agriculture shall coordinate research funded under this
17 section with the Office of Research and Development of
18 the Environmental Protection Agency in order to avoid du-
19 plication of research activities.

20 “(g) AUTHORIZATION OF APPROPRIATIONS.—

21 “(1) IN GENERAL.—There are authorized to be
22 appropriated such sums as necessary to carry out
23 this section.

24 “(2) WITHHOLDINGS FROM BIOTECHNOLOGY
25 OUTLAYS.—The Secretary of Agriculture shall with-

1 hold from outlays of the Department of Agriculture
2 for research on biotechnology, as defined and deter-
3 mined by the Secretary, at least one percent of such
4 amount for the purpose of making grants under this
5 section for research on biotechnology risk assess-
6 ment. Except that, funding from this authorization
7 should be collected and applied to the maximum ex-
8 tent practicable to risk assessment research on all
9 categories identified as biotechnology by the Sec-
10 retary.”.

11 **SEC. 748. COMPETITIVE, SPECIAL, AND FACILITIES RE-**
12 **SEARCH GRANTS.**

13 Section 2(a) of the Competitive, Special, and Facili-
14 ties Research Grant Act (7 U.S.C. 450i(a)) is amended
15 by adding at the end the following new paragraph:

16 “(3) DETERMINATION OF HIGH PRIORITY RE-
17 SEARCH.—Research priorities shall be determined by
18 the Secretary on an annual basis, taking into ac-
19 count input as gathered by the Secretary through
20 the National Agricultural Research, Extension, Edu-
21 cation, and Economics Advisory Board.”.

1 **SEC. 749. MATCHING FUNDS REQUIREMENT FOR RE-**
2 **SEARCH AND EXTENSION ACTIVITIES OF 1890**
3 **INSTITUTIONS.**

4 Section 1449 of the National Agricultural Research,
5 Extension, and Teaching Policy Act of 1977 (7 U.S.C.
6 3222d) is amended—

7 (1) by amending subsection (c) to read as fol-
8 lows:

9 “(c) **MATCHING FORMULA.**—For each of fiscal years
10 2003 through 2011, the State shall provide matching
11 funds from non-Federal sources. Such matching funds
12 shall be for an amount equal to not less than 60 percent
13 of the formula funds to be distributed to the eligible insti-
14 tution, and shall increase by 10 percent each fiscal year
15 thereafter until fiscal year 2007.”;

16 (2) by amending subsection (d) to read as fol-
17 lows:

18 “(d) **WAIVER AUTHORITY.**—Notwithstanding sub-
19 section (f), the Secretary may waive the matching funds
20 requirement under subsection (c) above the 50 percent
21 level for fiscal years 2003 through 2011 for an eligible
22 institution of a State if the Secretary determines that the
23 State will be unlikely to satisfy the matching require-
24 ment.”; and

25 (3) by adding at the end the following new sub-
26 section:

1 “(g) MATCHING FUNDS REQUIREMENT FOR THE
2 LAND-GRANT COLLEGES IN THE UNITED STATES TERRI-
3 TORIES.—

4 “(1) Land-grant colleges of the United States
5 territories, including the Commonwealth of Puerto
6 Rico, Guam, the Virgin Islands, the Northern Mar-
7 iana Islands, American Samoa, and Micronesia, shall
8 be excluded from the definition of eligible institution
9 (as defined in subsection (a)(1)).

10 “(2) MATCHING FORMULA.—Notwithstanding
11 any other provision of this subtitle, for fiscal years
12 2003 through 2011, the State shall provide match-
13 ing funds from non-Federal sources in an amount
14 equal to not less than 50 percent of the formula
15 funds to be distributed to the eligible institution.

16 “(3) WAIVER AUTHORITY.—Notwithstanding
17 subsection (f), the Secretary may waive the match-
18 ing funds requirements under subsection (a)(2)(A)
19 for any of fiscal years 2003 through 2011 for an eli-
20 gible institution of a State if the Secretary deter-
21 mines that the territory will be unlikely to satisfy
22 the matching requirement for that fiscal year.”.

1 **SEC. 750. INITIATIVE FOR FUTURE AGRICULTURE AND**
2 **FOOD SYSTEMS.**

3 (a) FUNDING.—Section 401(b)(1) of the Agricultural
4 Research, Extension, and Education Reform Act of 1998
5 (7 U.S.C. 7621(b)(1)) is amended to read as follows:

6 “(1) IN GENERAL.—On October 1, 2003, and
7 each October 1 thereafter through September 30,
8 2011, out of any funds in the Treasury not other-
9 wise appropriated, the Secretary of the Treasury
10 shall transfer funds into the Account the aggregate
11 of which shall equal \$960,000,000. Such funds shall
12 remain available until expended and, to the max-
13 imum extent practicable, shall be transferred in
14 equal amounts for each fiscal year.”.

15 (b) AVAILABILITY OF FUNDS.—Section 401(f)(6) of
16 the Agricultural Research, Extension, and Education Re-
17 form Act of 1998 (7 U.S.C. 7621(f)(6)) is amended to
18 read as follows:

19 “(6) AVAILABILITY OF FUNDS.—Funds made
20 available under this section to the Secretary prior to
21 October 1, 2003, for grants under this section shall
22 be available to the Secretary for a 2-year period.”.

23 **SEC. 751. CARBON CYCLE RESEARCH.**

24 Section 221 of the Agricultural Risk Protection Act
25 of 2000 (Public Law 106–224; 114 Stat. 407) is
26 amended—

1 (1) in subsection (a), by striking “Of the
2 amount” and all that follows through “to provide”
3 and inserting “To the extent funds are made avail-
4 able for this purpose, the Secretary shall provide”;

5 (2) in subsection (d), by striking “under sub-
6 section (a)” and inserting “for this section”; and

7 (3) by adding at the end the following new sub-
8 section:

9 “(e) AUTHORIZATION OF APPROPRIATIONS.—There
10 are authorized to be appropriated for fiscal years 2002
11 through 2011 such sums as may be necessary to carry
12 out this section.”

13 **SEC. 752. DEFINITION OF FOOD AND AGRICULTURAL**
14 **SCIENCES.**

15 Section 2(3) of the Research Facilities Act (7 U.S.C.
16 390(2)(3)) is amended to read as follows:

17 “(3) FOOD AND AGRICULTURAL SCIENCES.—

18 The term ‘food and agricultural sciences’ has the
19 meaning given that term in section 1404(8) of the
20 National Agricultural Research, Extension, and
21 Teaching Policy Act of 1977 (7 U.S.C. 3103(8)).”.

22 **SEC. 753. FEDERAL EXTENSION SERVICE.**

23 Section 3(b)(3) of the Smith-Lever Act (7 U.S.C.
24 343(b)(3)) is amended by striking “\$5,000,000” and in-
25 serting “such sums as are necessary”.

1 **Subtitle C—Related Matters**

2 **SEC. 761. RESIDENT INSTRUCTION AT LAND-GRANT COL-** 3 **LEGES IN UNITED STATES TERRITORIES.**

4 (a) PURPOSE.—It is the purpose of this section to
5 promote and strengthen higher education in the food and
6 agricultural sciences at agricultural and mechanical col-
7 leges located in the Commonwealth of Puerto Rico, the
8 Virgin Islands of the United States, Guam, American
9 Samoa, the Commonwealth of the Northern Mariana Is-
10 lands, the Federated States of Micronesia, the Republic
11 of the Marshall Islands, or the Republic of Palau (herein-
12 after referred to in this section as “eligible institutions”)
13 by formulating and administering programs to enhance
14 teaching programs in agriculture, natural resources, for-
15 estry, veterinary medicine, home economics, and dis-
16 ciplines closely allied to the food and agriculture produc-
17 tion and delivery system.

18 (b) GRANTS.—The Secretary shall make competitive
19 grants to those eligible institutions having a demonstrable
20 capacity to carry out the teaching of food and agricultural
21 sciences.

22 (c) USE OF GRANT FUNDS.—Grants made under
23 subsection (b) shall be used to—

24 (1) strengthen institutional educational capac-
25 ities, including libraries, curriculum, faculty, sci-

1 entific instrumentation, instruction delivery systems,
2 and student recruitment and retention, in order to
3 respond to identified State, regional, national, or
4 international education needs in the food and agri-
5 cultural sciences;

6 (2) attract and support undergraduate and
7 graduate students in order to educate them in iden-
8 tified areas of national need to the food and agri-
9 culture sciences;

10 (3) facilitate cooperative initiatives between two
11 or more eligible institutions or between eligible insti-
12 tutions and units of State Government, organiza-
13 tional in the private sector, to maximize the develop-
14 ment and use of resources such as faculty, facilities,
15 and equipment to improve food and agricultural
16 sciences teaching programs; and

17 (4) conduct undergraduate scholarship pro-
18 grams to assist in meeting national needs for train-
19 ing food and agricultural scientists.

20 (d) GRANT REQUIREMENTS.—

21 (1) The Secretary shall ensure that each eligible
22 institution, prior to receiving grant funds under sub-
23 section (b), shall have a significant demonstrable
24 commitment to higher educations programs in the
25 food and agricultural sciences and to each specific

1 subject area for which grant funds under this sub-
2 section are to be used.

3 (2) The Secretary may require that any grant
4 awarded under this section contain provisions that
5 require funds to be targeted to meet the needs iden-
6 tified in section 1402 of the National Agriculture
7 Research, Extension, and Teaching Policy Act of
8 1977.

9 (e) AUTHORIZATION OF APPROPRIATIONS.—There
10 are authorized to be appropriated such sums as are nec-
11 essary for each of the fiscal years 2002 through 2011 to
12 carry out this section.

13 **SEC. 762. DECLARATION OF EXTRAORDINARY EMERGENCY**
14 **AND RESULTING AUTHORITIES.**

15 (a) REVIEW OF PAYMENT OF COMPENSATION.—Sec-
16 tion 415(e) of the Plant Protection Act (7 U.S.C. 7715(e))
17 is amended by inserting before the final period the fol-
18 lowing: “or review by any officer of the Government other
19 than the Secretary or the designee of the Secretary”.

20 (b) REVIEW OF CERTAIN DECISIONS.—

21 (1) PLANT PROTECTION ACT.—Section 442 of
22 the Plant Protection Act (7 U.S.C. 7772) is amend-
23 ed by adding at the end following new subsection:

24 “(f) SECRETARIAL DISCRETION.—The action of any
25 officer, employee, or agent of the Secretary in carrying

1 out this section, including determining the amount of and
2 making any payment authorized to be made under this
3 section, shall not be subject to review by any officer of
4 the Government other than the Secretary or the designee
5 of the Secretary.”.

6 (2) OTHER PLANT AND ANIMAL PEST AND DIS-
7 EASE LAWS.—Section 11 of the Act of May 29, 1884
8 (21 U.S.C. 114a; commonly known as the “Animal
9 Industry Act”) and the first section of the Act of
10 September 25, 1981 (7 U.S.C. 147b), are each
11 amended by adding at the end the following new
12 sentence: “The action of any officer, employee, or
13 agent of the Secretary in carrying out this section,
14 including determining the amount of and making
15 any payment authorized to be made under this sec-
16 tion, shall not be subject to review by any officer of
17 the Government other than the Secretary or the des-
18 ignee of the Secretary.”.

19 (c) METHYL BROMIDE.—The Plant Protection Act (7
20 U.S.C. 7701 et seq.) is amended by inserting after section
21 418 the following new section:

22 **“SEC. 419. METHYL BROMIDE.**

23 “(a) IN GENERAL.—The Secretary, upon request of
24 State, local, or tribal authorities, shall determine whether
25 methyl bromide treatments or applications required by

1 State, local, or tribal authorities to prevent the introduc-
2 tion, establishment, or spread of plant pests (including
3 diseases) or noxious weeds should be authorized as an offi-
4 cial control or official requirement.

5 “(b) ADMINISTRATION.—

6 “(1) TIMELINE FOR DETERMINATION.—The
7 Secretary shall make the determination required by
8 subsection (a) not later than 90 days after receiving
9 the request for such a determination.

10 “(2) REGULATIONS.—The promulgation of reg-
11 ulations for and the administration of this section
12 shall be made without regard to—

13 “(A) the notice and comment provisions of
14 section 553 of title 5, United States Code;

15 “(B) the Statement of Policy of the Sec-
16 retary of Agriculture, effective July 24, 1971
17 (36 Fed. Reg. 13804; relating to notices of pro-
18 posed rulemaking and public participation in
19 rulemaking); and

20 “(C) chapter 35 of title 44, United States
21 Code (commonly known as the ‘Paperwork Re-
22 duction Act’).

23 “(c) REGISTRY.—Not later than 180 days after the
24 date of the enactment of this section, the Secretary shall
25 publish, and thereafter maintain, a registry of State, local,

1 and tribal requirements authorized by the Secretary under
 2 this section.”.

3 **Subtitle D—Repeal of Certain**
 4 **Activities and Authorities**

5 **SEC. 771. FOOD SAFETY RESEARCH INFORMATION OFFICE**
 6 **AND NATIONAL CONFERENCE.**

7 (a) REPEAL.—Subsections (b) and (c) of section 615
 8 of the Agricultural Research, Extension, and Education
 9 Reform Act of 1998 (7 U.S.C. 7654(b) and (c)) are re-
 10 pealed.

11 (b) CONFORMING AMENDMENTS.—

12 (1) GENERALLY.—Section 615 of such Act is
 13 amended—

14 (A) in the section heading, by striking
 15 “**AND NATIONAL CONFERENCE**”;

16 (B) by striking “(a) FOOD SAFETY RE-
 17 SEARCH INFORMATION OFFICE.—”;

18 (C) by redesignating paragraphs (1), (2),
 19 and (3) as subsections (a), (b), and (c), respec-
 20 tively, and moving the margins 2 ems to the
 21 left;

22 (D) in subsection (b) (as so redesignated),
 23 by redesignating subparagraphs (A) and (B) as
 24 paragraphs (1) and (2), respectively, and mov-
 25 ing the margins 2 ems to the left; and

1 (E) in subsection (c) (as so redesignated),
2 by striking “this subsection” and inserting
3 “this section”.

4 (2) TABLE OF SECTIONS.—The table of sections
5 for such Act is amended by striking “and National
6 Conference” in the item relating to section 617.

7 **SEC. 772. REIMBURSEMENT OF EXPENSES UNDER SHEEP**
8 **PROMOTION, RESEARCH, AND INFORMATION**
9 **ACT OF 1994.**

10 Section 617 of the Agricultural Research, Extension,
11 and Education Reform Act of 1998 (Public Law 105–185;
12 112 Stat. 607) is repealed.

13 **SEC. 773. NATIONAL GENETIC RESOURCES PROGRAM.**

14 Section 1634 of the Food, Agriculture, Conservation,
15 and Trade Act of 1990 (7 U.S.C. 5843) is repealed.

16 **SEC. 774. NATIONAL ADVISORY BOARD ON AGRICULTURAL**
17 **WEATHER.**

18 Section 1639 of the Food, Agriculture, Conservation,
19 and Trade Act of 1990 (7 U.S.C. 5853) is repealed.

20 **SEC. 775. AGRICULTURAL INFORMATION EXCHANGE WITH**
21 **IRELAND.**

22 Section 1420 of the National Agricultural Research,
23 Extension and Teaching Policy Act Amendments of 1985
24 (Public Law 99–198; 99 Stat. 1551) is repealed.

1 **SEC. 776. PESTICIDE RESISTANCE STUDY.**

2 Section 1437 of the National Agricultural Research,
3 Extension, and Teaching Policy Act of 1985 (Public Law
4 99–198; 99 Stat. 1558) is repealed.

5 **SEC. 777. EXPANSION OF EDUCATION STUDY.**

6 Section 1438 of the National Agricultural Research,
7 Extension, and Teaching Policy Act Amendments of 1985
8 (Public Law 99–198; 99 Stat. 1559) is repealed.

9 **SEC. 778. SUPPORT FOR ADVISORY BOARD.**

10 (a) REPEAL.—Section 1412 of the National Agricul-
11 tural Research, Extension, and Teaching Policy Act of
12 1977 (7 U.S.C. 3127) is repealed.

13 (b) CONFORMING AMENDMENT.—Section 1413(c) of
14 such Act (7 U.S.C. 3128(c)) is amended by striking “sec-
15 tion 1412 of this title and”.

16 **SEC. 779. TASK FORCE ON 10-YEAR STRATEGIC PLAN FOR**
17 **AGRICULTURAL RESEARCH FACILITIES.**

18 (a) REPEAL.—Section 4 of the Research Facilities
19 Act (7 U.S.C. 390b) is repealed.

20 (b) CONFORMING AMENDMENT.—Section 2 of such
21 Act (7 U.S.C. 390) is amended by striking paragraph (5).

1 **Subtitle E—Agriculture Facility**
2 **Protection**

3 **SEC. 790. ADDITIONAL PROTECTIONS FOR ANIMAL OR AG-**
4 **RICULTURAL ENTERPRISES, RESEARCH FA-**
5 **CILITIES, AND OTHER ENTITIES.**

6 (a) DEFINITIONS.—The Research Facilities Act (7
7 U.S.C. 390 et seq.) is amended—

8 (1) by redesignating section 6 as section 7; and

9 (2) by inserting after section 5 the following
10 new section:

11 **“SEC. 6. ADDITIONAL PROTECTIONS FOR ANIMAL OR AGRI-**
12 **CULTURAL ENTERPRISES, RESEARCH FACILI-**
13 **TIES, AND OTHER ENTITIES AGAINST DISRUP-**
14 **TION.**

15 “(a) DEFINITIONS.—For the purposes of this section,
16 the following definitions apply:

17 “(1) ANIMAL OR AGRICULTURAL ENTER-
18 PRISE.—The term ‘animal or agricultural enterprise’
19 means any of the following:

20 “(A) A commercial, governmental, or aca-
21 demic enterprise that uses animals, plants, or
22 other biological materials for food or fiber pro-
23 duction, breeding, processing, research, or test-
24 ing.

1 “(B) A zoo, aquarium, circus, rodeo, or
2 other entity that exhibits or uses animals,
3 plants, or other biological materials for edu-
4 cational or entertainment purposes.

5 “(C) A fair or similar event intended to
6 advance agricultural arts and sciences.

7 “(D) A facility managed or occupied by an
8 association, federation, foundation, council, or
9 other group or entity of food or fiber producers,
10 processors, or agricultural or biomedical re-
11 searchers intended to advance agricultural or
12 biomedical arts and sciences.

13 “(2) ECONOMIC DAMAGE.—The term ‘economic
14 damage’ means the replacement of the following:

15 “(A) The cost of lost or damaged property
16 (including all real and personal property) of an
17 animal or agricultural enterprise.

18 “(B) The cost of repeating an interrupted
19 or invalidated experiment.

20 “(C) The loss of revenue (including costs
21 related to business recovery) directly related to
22 the disruption of an animal or agricultural en-
23 terprise.

24 “(D) The cost of the tuition and expenses
25 of any student to complete an academic pro-

1 gram that was disrupted, or to complete a re-
2 placement program, when the tuition and ex-
3 penses are incurred as a result of the damage
4 or loss of the property of an animal or agricul-
5 tural enterprise.

6 “(3) PROPERTY OF AN ANIMAL OR AGRICUL-
7 TURAL ENTERPRISE.—The term ‘property of an ani-
8 mal or agricultural enterprise’ means real and per-
9 sonal property of or used by any of the following:

10 “(A) An animal or agricultural enterprise.

11 “(B) An employee of an animal or agricul-
12 tural enterprise.

13 “(C) A student attending an academic ani-
14 mal or agricultural enterprise.

15 “(4) DISRUPTION.—The term ‘disruption’ does
16 not include any lawful disruption that results from
17 lawful public, governmental, or animal or agricul-
18 tural enterprise employee reaction to the disclosure
19 of information about an animal or agricultural en-
20 terprise.

21 “(b) VIOLATION.—A person may not recklessly,
22 knowingly, or intentionally cause, or contribute to, the dis-
23 ruption of the functioning of an animal or agricultural en-
24 terprise by damaging or causing the loss of any property

1 of the animal or agricultural enterprise that results in eco-
2 nomic damage, as determined by the Secretary.

3 “(c) ASSESSMENT OF CIVIL PENALTY.—

4 “(1) IN GENERAL.—The Secretary may impose
5 on any person that the Secretary determines violates
6 subsection (b) a civil penalty in an amount deter-
7 mined under paragraphs (2) and (3). The civil pen-
8 alty may be assessed only on the record after an op-
9 portunity for a hearing.

10 “(2) RECOVERY OF DEPARTMENT COSTS.—The
11 civil penalty assessed by the Secretary against a per-
12 son for a violation of subsection (b) shall be not less
13 than the total cost incurred by the Secretary for in-
14 vestigation of the violation, conducting any hearing
15 regarding the violation, and assessing the civil pen-
16 alty.

17 “(3) RECOVERY OF ECONOMIC DAMAGE.—In ad-
18 dition to the amount determined under paragraph
19 (2), the amount of the civil penalty shall include the
20 an amount not less than the total cost (or, in the
21 case of knowing or intentional disruption, not less
22 than 150 percent of the total cost) of the economic
23 damage incurred by the animal or agricultural enter-
24 prise, any employee of the animal or agricultural en-
25 terprise, or any student attending an academic ani-

1 mal or agricultural enterprise as a result of the
2 damage or loss of the property of an animal or agri-
3 cultural enterprise.

4 “(d) IDENTIFICATION.—The Secretary shall identify
5 for each civil penalty assessed under subsection (c), the
6 portion of the amount of the civil penalty that represents
7 the recovery of Department costs and the portion that rep-
8 resents the recovery of economic losses.

9 “(e) OTHER FACTORS IN DETERMINING PENALTY.—
10 In determining the amount of a civil penalty under sub-
11 section (c), the Secretary shall consider the following:

12 “(1) The nature, circumstance, extent, and
13 gravity of the violation or violations.

14 “(2) The ability of the injured animal or agri-
15 cultural enterprise to continue to operate, costs in-
16 curred by the animal or agricultural enterprise to re-
17 cover lost business, and the effect of the violation on
18 earnings of employees of the animal or agricultural
19 enterprise.

20 “(3) The interruptions experienced by students
21 attending an academic animal or agricultural enter-
22 prise.

23 “(4) Whether the violator has previously vio-
24 lated subsection (a).

25 “(5) The violator’s degree of culpability.

1 “(f) FUND TO ASSIST VICTIMS OF DISRUPTION.—

2 “(1) FUND ESTABLISHED.—There is estab-
3 lished in the Treasury a fund which shall consist of
4 that portion of each civil penalty collected under
5 subsection (c) that represents the recovery of eco-
6 nomic damages.

7 “(2) USE OF AMOUNTS IN FUND.—The Sec-
8 retary of Agriculture shall use amounts in the fund
9 to compensate animal or agricultural enterprises,
10 employees of an animal or agricultural enterprise,
11 and student attending an academic animal or agri-
12 cultural enterprise for economic losses incurred as a
13 result of the disruption of the functioning of an ani-
14 mal or agricultural enterprise in violation of sub-
15 section (b).”.

16 **TITLE VIII—FORESTRY** 17 **INITIATIVES**

18 **SEC. 801. REPEAL OF FORESTRY INCENTIVES PROGRAM**

19 **AND STEWARDSHIP INCENTIVE PROGRAM.**

20 (a) REPEALS.—The Cooperative Forestry Assistance
21 Act of 1978 is amended by striking section 4 (16 U.S.C.
22 2103) and section 6 (16 U.S.C. 2103b).

23 (b) CONFORMING AMENDMENT.—Section 246(b) of
24 the Department of Agriculture Reorganization Act of

1 1994 (7 U.S.C. 6962(b)) is amended by striking para-
2 graph (2).

3 **SEC. 802. ESTABLISHMENT OF FOREST LAND ENHANCE-**
4 **MENT PROGRAM.**

5 (a) FINDINGS.—Congress finds the following:

6 (1) There is a growing dependence on private
7 nonindustrial forest lands to supply the necessary
8 market commodities and nonmarket values, such as
9 habitat for fish and wildlife, aesthetics, outdoor
10 recreation opportunities, and other forest resources,
11 required by a growing population.

12 (2) There is a strong demand for expanded as-
13 sistance programs for owners of nonindustrial pri-
14 vate forest land since the majority of the wood sup-
15 ply of the United States comes from nonindustrial
16 private forest land.

17 (3) The soil, carbon stores, water and air qual-
18 ity of the United States can be maintained and im-
19 proved through good stewardship of nonindustrial
20 private forest lands.

21 (4) The products and services resulting from
22 stewardship of nonindustrial private forest lands
23 provide income and employment that contribute to
24 the economic health and diversity of rural commu-
25 nities.

1 (5) Wildfires threaten human lives, property,
2 forests, and other resources, and Federal and State
3 cooperation in forest fire prevention and control has
4 proven effective and valuable, in that properly man-
5 aged forest stands are less susceptible to cata-
6 strophic fire, as dramatized by the catastrophic fire
7 seasons of 1998 and 2000.

8 (6) Owners of private nonindustrial forest lands
9 are being faced with increased pressure to convert
10 their forestland to development and other uses.

11 (7) Complex, long-rotation forest investments,
12 including sustainable hardwood management, are
13 often the most difficult commitment for small, non-
14 industrial private forest landowners and, thus,
15 should receive equal consideration under cost-share
16 programs.

17 (8) The investment of one Federal dollar in
18 State and private forestry programs is estimated to
19 leverage \$9 on average from State, local, and private
20 sources.

21 (b) PURPOSE.—It is the purpose of this section to
22 strengthen the commitment of the Department of Agri-
23 culture to sustainable forestry and to establish a coordi-
24 nated and cooperative Federal, State, and local sustain-
25 able forest program for the establishment, management,

1 maintenance, enhancement, and restoration of forests on
2 nonindustrial private forest lands in the United States.

3 (c) FOREST LAND ENHANCEMENT PROGRAM.—The
4 Cooperative Forestry Assistance Act of 1978 is amended
5 by inserting after section 3 (16 U.S.C. 2102) the following
6 new section 4:

7 **“SEC. 4. FOREST LAND ENHANCEMENT PROGRAM.**

8 “(a) ESTABLISHMENT.—

9 “(1) ESTABLISHMENT; PURPOSE.—The Sec-
10 retary shall establish a Forest Land Enhancement
11 Program (in this section referred to as the ‘Pro-
12 gram’) for the purpose of providing financial, tech-
13 nical, educational, and related assistance to State
14 foresters to encourage the long-term sustainability of
15 nonindustrial private forest lands in the United
16 States by assisting the owners of such lands in more
17 actively managing their forest and related resources
18 by utilizing existing State, Federal, and private sec-
19 tor resource management expertise, financial assist-
20 ance, and educational programs.

21 “(2) ADMINISTRATION.—The Secretary shall
22 carry out the Program within, and administer the
23 Program through, the Farm Service Agency.

1 “(3) COORDINATION.—The Secretary shall im-
2 plement the Program in coordination with State for-
3 esters.

4 “(b) PROGRAM OBJECTIVES.—In implementing the
5 Program, the Secretary shall target resources to achieve
6 the following objectives:

7 “(1) Investment in practices to establish, re-
8 store, protect, manage, maintain, and enhance the
9 health and productivity of the nonindustrial private
10 forest lands in the United States for timber, habitat
11 for flora and fauna, water quality, and wetlands.

12 “(2) Ensuring that afforestation, reforestation,
13 improvement of poorly stocked stands, timber stand
14 improvement, practices necessary to improve seed-
15 ling growth and survival, and growth enhancement
16 practices occur where needed to enhance and sustain
17 the long-term productivity of timber and nontimber
18 forest resources to help meet future public demand
19 for all forest resources and provide environmental
20 benefits.

21 “(3) Reduce the risks and help restore, recover,
22 and mitigate the damage to forests caused by fire,
23 insects, invasive species, disease, and damaging
24 weather.

1 “(4) Increase and enhance carbon sequestration
2 opportunities.

3 “(5) Enhance implementation of agroforestry
4 practices.

5 “(6) Maintain and enhance the forest landbase
6 and leverage State and local financial and technical
7 assistance to owners that promote the same con-
8 servation and environmental values.

9 “(c) ELIGIBILITY.—

10 “(1) IN GENERAL.—An owner of nonindustrial
11 private forest land is eligible for cost-sharing assist-
12 ance under the Program if the owner—

13 “(A) agrees to develop and implement an
14 individual stewardship, forest, or stand manage-
15 ment plan addressing site specific activities and
16 practices in cooperation with, and approved by,
17 the State forester, state official, or private sec-
18 tor program in consultation with the State for-
19 ester;

20 “(B) agrees to implement approved activi-
21 ties in accordance with the plan for a period of
22 not less than 10 years, unless the State forester
23 approves a modification to such plan; and

24 “(C) meets the acreage restrictions as de-
25 termined by the State forester in conjunction

1 with the State Forest Stewardship Coordinating
2 Committee established under section 19.

3 “(2) STATE PRIORITIES.—The Secretary, in
4 consultation with the State forester and the State
5 Forest Stewardship Coordinating Committee may
6 develop State priorities for cost sharing under the
7 Program that will promote forest management objec-
8 tives in that State.

9 “(3) DEVELOPMENT OF PLAN.—An owner shall
10 be eligible for cost-share assistance for the develop-
11 ment of the individual stewardship, forest, or stand
12 management plan required by paragraph (1).

13 “(d) APPROVED ACTIVITIES.—

14 “(1) DEVELOPMENT.—The Secretary, in con-
15 sultation with the State Forest Stewardship Coordi-
16 nating Committee, shall develop a list of approved
17 forest activities and practices that will be eligible for
18 cost-share assistance under the Program within each
19 State.

20 “(2) TYPE OF ACTIVITIES.—In developing a list
21 of approved activities and practices under paragraph
22 (1), the Secretary shall attempt to achieve the estab-
23 lishment, restoration, management, maintenance,
24 and enhancement of forests and trees for the fol-
25 lowing:

1 “(A) The sustainable growth and manage-
2 ment of forests for timber production.

3 “(B) The restoration, use, and enhance-
4 ment of forest wetlands and riparian areas.

5 “(C) The protection of water quality and
6 watersheds through the application of State-de-
7 veloped forestry best management practices.

8 “(D) Energy conservation and carbon se-
9 questration purposes.

10 “(E) Habitat for flora and fauna.

11 “(F) The control, detection, and moni-
12 toring of invasive species on forestlands as well
13 as preventing the spread and providing for the
14 restoration of lands affected by invasive species.

15 “(G) Hazardous fuels reduction and other
16 management activities that reduce the risks and
17 help restore, recover, and mitigate the damage
18 to forests caused by fire.

19 “(H) The development of forest or stand
20 management plans.

21 “(I) Other activities approved by the Sec-
22 retary, in coordination with the State Forest
23 Stewardship Coordinating Committee.

24 “(e) COOPERATION.—In implementing the Program,
25 the Secretary shall cooperate with other Federal, State,

1 and local natural resource management agencies, institu-
2 tions of higher education, and the private sector.

3 “(f) REIMBURSEMENT OF ELIGIBLE ACTIVITIES.—

4 “(1) IN GENERAL.—The Secretary shall share
5 the cost of implementing the approved activities that
6 the Secretary determines are appropriate, in the
7 case of an owner that has entered into an agreement
8 to place nonindustrial private forest lands of the
9 owner in the Program.

10 “(2) RATE.—The Secretary shall determine the
11 appropriate reimbursement rate for cost-share pay-
12 ments under paragraph (1) and the schedule for
13 making such payments.

14 “(3) MAXIMUM.—The Secretary shall not make
15 cost-share payments under this subsection to an
16 owner in an amount in excess of 75 percent of the
17 total cost, or a lower percentage as determined by
18 the State forester, to such owner for implementing
19 the practices under an approved plan. The maximum
20 payments to any one owner shall be determined by
21 the Secretary.

22 “(4) CONSULTATION.—The Secretary shall
23 make determinations under this subsection in con-
24 sultation with the State forester.

25 “(g) RECAPTURE.—

1 “(1) IN GENERAL.—The Secretary shall estab-
2 lish and implement a mechanism to recapture pay-
3 ments made to an owner in the event that the owner
4 fails to implement any approved activity specified in
5 the individual stewardship, forest, or stand manage-
6 ment plan for which such owner received cost-share
7 payments.

8 “(2) ADDITIONAL REMEDY.—The remedy pro-
9 vided in paragraph (1) is in addition to any other
10 remedy available to the Secretary.

11 “(h) DISTRIBUTION.—The Secretary shall distribute
12 funds available for cost sharing under the Program among
13 the States only after giving appropriate consideration to—

14 “(1) the total acreage of nonindustrial private
15 forest land in each State;

16 “(2) the potential productivity of such land;

17 “(3) the number of owners eligible for cost
18 sharing in each State;

19 “(4) the opportunities to enhance non-timber
20 resources on such forest lands;

21 “(5) the anticipated demand for timber and
22 nontimber resources in each State;

23 “(6) the need to improve forest health to mini-
24 mize the damaging effects of catastrophic fire, in-
25 sects, disease, or weather; and

1 “(7) the need and demand for agroforestry
2 practices in each State.

3 “(i) DEFINITIONS.—In this section:

4 “(1) NONINDUSTRIAL PRIVATE FOREST
5 LANDS.—The term ‘nonindustrial private forest
6 lands’ means rural lands, as determined by the Sec-
7 retary, that—

8 “(A) have existing tree cover or are suit-
9 able for growing trees; and

10 “(B) are owned or controlled by any non-
11 industrial private individual, group, association,
12 corporation, Indian tribe, or other private legal
13 entity (other than a nonprofit private legal enti-
14 ty) so long as the individual, group, association,
15 corporation, tribe, or entity has definitive deci-
16 sion-making authority over the lands, including
17 through long-term leases and other land tenure
18 systems, for a period of time long enough to en-
19 sure compliance with the Program.

20 “(2) OWNER.—The term ‘owner’ includes a pri-
21 vate individual, group, association, corporation, In-
22 dian tribe, or other private legal entity (other than
23 a nonprofit private legal entity) that has definitive
24 decision-making authority over nonindustrial private

1 forest lands through a long-term lease or other land
2 tenure systems.

3 “(3) SECRETARY.—The term ‘Secretary’ means
4 the Secretary of Agriculture.

5 “(4) STATE FORESTER.—The term ‘State for-
6 ester’ means the director or other head of a State
7 Forestry Agency or equivalent State official.

8 “(j) AVAILABILITY OF FUNDS.—The Secretary shall
9 use \$150,000,000 of funds of the Commodity Credit Cor-
10 poration to carry out the Program during the period be-
11 ginning on October 1, 2001, and ending on September 30,
12 2011.”.

13 **SEC. 803. RENEWABLE RESOURCES EXTENSION ACTIVITIES.**

14 (a) EXTENSION AND AUTHORIZATION INCREASE.—
15 Section 6 of the Renewable Resources Extension Act of
16 1978 (16 U.S.C. 1675) is amended—

17 (1) by striking “\$15,000,000” and inserting
18 “\$30,000,000”; and

19 (2) by striking “2002” and inserting “2011”.

20 (b) SUSTAINABLE FORESTRY OUTREACH INITIA-
21 TIVE.—The Renewable Resources Extension Act of 1978
22 is amended by inserting after section 5A (16 U.S.C.
23 1674a) the following new section:

1 **“SEC. 5B. SUSTAINABLE FORESTRY OUTREACH INITIATIVE.**

2 “The Secretary shall establish a program to be known
3 as the ‘Sustainable Forestry Outreach Initiative’ for the
4 purpose of educating landowners regarding the following:

5 “(1) The value and benefits of practicing sus-
6 tainable forestry.

7 “(2) The importance of professional forestry
8 advice in achieving their sustainable forestry objec-
9 tives.

10 “(3) The variety of public and private sector re-
11 sources available to assist them in planning for and
12 practicing sustainable forestry.”.

13 **SEC. 804. ENHANCED COMMUNITY FIRE PROTECTION.**

14 (a) FINDINGS.—Congress finds the following:

15 (1) The severity and intensity of wildland fires
16 has increased dramatically over the past few decades
17 as a result of past fire and land management poli-
18 cies.

19 (2) The record 2000 fire season is a prime ex-
20 ample of what can be expected if action is not taken.

21 (3) These wildfires threaten not only the na-
22 tion’s forested resources, but the thousands of com-
23 munities intermingled with the wildlands in the
24 wildland-urban interface.

25 (4) The National Fire Plan developed in re-
26 sponse to the 2000 fire season is the proper, coordi-

1 nated, and most effective means to address this wild-
2 fire issue.

3 (5) Whereas adequate authorities exist to tackle
4 the wildfire issues at the landscape level on Federal
5 lands, there lacks strong authority to take action on
6 most private lands where the largest threat to life
7 and property lies.

8 (6) There is a significant Federal interest in en-
9 hancing community protection from wildfire.

10 (b) ENHANCED PROTECTION.—The Cooperative For-
11 estry Assistance Act of 1978 is amended by inserting after
12 section 10 (16 U.S.C. 2106) the following new section:

13 **“SEC. 10A. ENHANCED COMMUNITY FIRE PROTECTION.**

14 “(a) COOPERATIVE MANAGEMENT RELATED TO
15 WILDFIRE THREATS.—The Secretary may cooperate with
16 State foresters and equivalent State officials in the man-
17 agement of lands in the United States for the following
18 purposes:

19 “(1) Aid in wildfire prevention and control;

20 “(2) Protect communities from wildfire threats;

21 “(3) Enhance the growth and maintenance of
22 trees and forests that promote overall forest health.

23 “(4) Ensure the continued production of all for-
24 est resources, including timber, outdoor recreation
25 opportunities, wildlife habitat, and clean water,

1 through conservation of forest cover on watersheds,
2 shelterbelts, and windbreaks.

3 “(b) COMMUNITY AND PRIVATE LAND FIRE ASSIST-
4 ANCE PROGRAM.—

5 “(1) ESTABLISHMENT; PURPOSE.—The Sec-
6 retary shall establish a Community and Private
7 Land Fire Assistance program—

8 “(A) to focus the Federal role in pro-
9 moting optimal firefighting efficiency at the
10 Federal, State, and local levels;

11 “(B) to augment Federal projects that es-
12 tablish landscape level protection from wildfires;

13 “(C) to expand outreach and education
14 programs to homeowners and communities
15 about fire prevention; and

16 “(D) to establish defensible space around
17 private landowners homes and property against
18 wildfires.

19 “(2) COMPONENTS.—In coordination with exist-
20 ing authorities under this Act, the Secretary may
21 undertake on both Federal and non-Federal lands—

22 “(A) fuel hazard mitigation and preven-
23 tion;

24 “(B) invasive species management;

25 “(C) multi-resource wildfire planning;

1 “(D) community protection planning;

2 “(E) community and landowner education
3 enterprises, including the program known as
4 FIREWISE;

5 “(F) market development and expansion;

6 “(G) improved wood utilization;

7 “(H) special restoration projects.

8 “(3) CONSIDERATIONS.—The Secretary shall
9 use local contract personnel wherever possible to
10 carry out projects under the Program.

11 “(c) AUTHORIZATION OF APPROPRIATIONS.—There
12 are hereby authorized to be appropriated to the Secretary
13 \$35,000,000 for each of fiscal years 2002 through 2011,
14 and such sums as may be necessary thereafter, to carry
15 out this section.”.

16 **SEC. 805. INTERNATIONAL FORESTRY PROGRAM.**

17 Section 2405(d) of the Global Climate Change Pre-
18 vention Act of 1990 (title XXIV of Public Law 101–624;
19 7 U.S.C. 6704(d)) is amended by striking “2002” and in-
20 serting “2011”.

21 **SEC. 806. LONG-TERM FOREST STEWARDSHIP CONTRACTS**
22 **FOR HAZARDOUS FUELS REMOVAL AND IM-**
23 **PLEMENTATION OF NATIONAL FIRE PLAN.**

24 (a) ANNUAL ASSESSMENT OF TREATMENT ACRE-
25 AGE.—Not later than March 1 of each of fiscal years 2002

1 through 2006, the Secretary concerned shall submit to
2 Congress an assessment of the number of acres of forested
3 Federal lands recommended to be treated during the next
4 fiscal year using stewardship end result contracts author-
5 ized by subsection (c). The assessment shall be based on
6 the treatment schedules contained in the report entitled
7 “Protecting People and Sustaining Resources in Fire-
8 Adapted Ecosystems”, dated October 13, 2000, and incor-
9 porated into the National Fire Plan. The assessment shall
10 identify the acreage by condition class, type of treatment,
11 and treatment year to achieve the restoration goals out-
12 lined in the report within 10-, 15-, and 20-year time peri-
13 ods. The assessment shall also include changes in the res-
14 toration goals based on the effects of fire, hazardous fuel
15 treatments pursuant to the National Fire Plan, or updates
16 in data.

17 (b) FUNDING RECOMMENDATION.—The Secretary
18 concerned shall include in the annual assessment a request
19 for funds sufficient to implement the recommendations
20 contained in the assessment using stewardship end result
21 contracts under subsection (c) when the Secretary con-
22 cerned determines that the objectives of the National Fire
23 Plan are best accomplished through forest stewardship
24 end result contracting.

25 (c) STEWARDSHIP END RESULT CONTRACTING.—

1 (1) AUTHORITY.—Subject to the amount of
2 funds made available pursuant to subsection (b), the
3 Secretary concerned may enter into stewardship end
4 result contracts to implement the National Fire Plan
5 on Federal lands based upon the stewardship treat-
6 ment schedules provided in the annual assessments
7 under subsection (a). The contracting goals and au-
8 thorities described in subsections (b) through (f) of
9 section 347 of the Department of the Interior and
10 Related Agencies Appropriations Act, 1999 (as con-
11 tained in section 101(e) of division A of Public Law
12 105–277; 16 U.S.C. 2104 note; commonly known as
13 the Stewardship End Result Contracting Dem-
14 onstration Project) shall apply to contracts entered
15 into under this subsection, except that the period of
16 the contract shall be 10 years.

17 (2) DURATION.—The authority of the Secretary
18 concerned to enter into contracts under this sub-
19 section expires September 30, 2007.

20 (d) STATUS REPORT.—Beginning with the assess-
21 ment required under subsection (a) in 2003, the Secretary
22 concerned shall include in the annual assessment a status
23 report of the stewardship end result contracts entered into
24 under the authority of this section.

25 (e) DEFINITIONS.—In this section:

1 In this Act:

2 (1) FEDERAL LANDS.—The term “Federal
3 lands” means—

4 (A) National Forest System lands;

5 (B) public lands administered by the Sec-
6 retary of the Interior, acting through the Bu-
7 reau of Land Management; and

8 (C) Indian lands.

9 (2) INDIAN LANDS.—The term “Indian lands”
10 means—

11 (A) lands held in trust by the United
12 States for the benefit of an Indian tribe;

13 (B) lands held by an Indian tribe subject
14 to restriction by the United States against
15 alienation; and

16 (C) lands held by an incorporated Alaska
17 Native group, regional corporation, or village
18 corporation under the provisions of the Alaska
19 Native Claims Settlement Act (43 U.S.C. 1601
20 et seq.).

21 (3) SECRETARY CONCERNED.—The term “Sec-
22 retary concerned” means—

23 (A) the Secretary of Agriculture or the
24 designee of the Secretary of Agriculture with

1 respect to the Federal lands described in para-
2 graph (1)(A); and

3 (B) the Secretary of the Interior or the
4 designee of the Secretary of the Interior with
5 respect to the Federal lands described in para-
6 graphs (1)(B) and (1)(C).

7 **SEC. 807. MCINTIRE-STENNIS COOPERATIVE FORESTRY RE-**
8 **SEARCH PROGRAM.**

9 It is the sense of Congress to reaffirm the importance
10 of Public Law 87–88 (16 U.S.C. 582a et seq.), commonly
11 known as the McIntire-Stennis Cooperative Forestry Act.

12 **TITLE IX—MISCELLANEOUS**
13 **PROVISIONS**
14 **Subtitle A—Tree Assistance**
15 **Program**

16 **SEC. 901. ELIGIBILITY.**

17 (a) LOSS.—Subject to the limitation in subsection
18 (b), the Secretary of Agriculture shall provide assistance,
19 as specified in section 902, to eligible orchardists that
20 planted trees for commercial purposes but lost such trees
21 as a result of a natural disaster, as determined by the
22 Secretary.

23 (b) LIMITATION.—An eligible orchardist shall qualify
24 for assistance under subsection (a) only if such orchard-

1 ist's tree mortality, as a result of the natural disaster, ex-
2 ceeds 15 percent (adjusted for normal mortality).

3 **SEC. 902. ASSISTANCE.**

4 The assistance provided by the Secretary of Agri-
5 culture to eligible orchardists for losses described in sec-
6 tion 901 shall consist of either—

7 (1) reimbursement of 75 percent of the cost of
8 replanting trees lost due to a natural disaster, as de-
9 termined by the Secretary, in excess of 15 percent
10 mortality (adjusted for normal mortality); or

11 (2) at the discretion of the Secretary, sufficient
12 seedlings to reestablish the stand.

13 **SEC. 903. LIMITATION ON ASSISTANCE.**

14 (a) **LIMITATION.**—The total amount of payments
15 that a person shall be entitled to receive under this subtitle
16 may not exceed \$50,000, or an equivalent value in tree
17 seedlings.

18 (b) **REGULATIONS.**—The Secretary of Agriculture
19 shall issue regulations—

20 (1) defining the term “person” for the purposes
21 of this subtitle, which shall conform, to the extent
22 practicable, to the regulations defining the term
23 “person” issued under section 1001 of the Food Se-
24 curity Act of 1985 (7 U.S.C. 1308) and the Disaster
25 Assistance Act of 1988 (7 U.S.C. 1421 note); and

1 (2) prescribing such rules as the Secretary de-
2 termines necessary to ensure a fair and reasonable
3 application of the limitation established under this
4 section.

5 **SEC. 904. DEFINITIONS.**

6 In this subtitle:

7 (1) ELIGIBLE ORCHARDIST.—The term “eligible
8 orchardist” means a person who produces annual
9 crops from trees for commercial purposes and owns
10 500 acres or less of such trees.

11 (2) NATURAL DISASTER.—The term “natural
12 disaster” includes plant disease, insect infestation,
13 drought, fire, freeze, flood, earthquake, and other
14 occurrences, as determined by the Secretary.

15 (3) TREE.—The term “tree” includes trees,
16 bushes, and vines.

17 **SEC. 905. DUPLICATIVE PAYMENTS.**

18 The Secretary of Agriculture shall establish guide-
19 lines to ensure that no person receives duplicative pay-
20 ments under this subtitle and the forestry incentives pro-
21 gram, agricultural conservation program, or other Federal
22 program.

Subtitle B—Other Matters

SEC. 911. HAZARDOUS FUEL REDUCTION GRANTS TO PREVENT WILDFIRE DISASTERS AND TRANSFORM HAZARDOUS FUELS TO ELECTRIC ENERGY, USEFUL HEAT, OR TRANSPORTATION FUELS.

(a) FINDINGS.—Congress finds the following:

(1) The damages caused by wildfire disasters have been equivalent in magnitude to the damage resulting from the Northridge earthquake, Hurricane Andrew, and the recent flooding of the Mississippi River and the Red River.

(2) More than 20,000 communities in the United States are at risk to wildfire and approximately 11,000 of these communities are located near Federal lands. More than 72,000,000 acres of National Forest System lands and 57,000,000 acres of lands managed by the Secretary of the Interior are at risk of catastrophic fire in the near future. The accumulation of heavy forest fuel loads continues to increase as a result of disease, insect infestations, and drought, further raising the risk of fire each year.

(3) Modification of forest fuel load conditions through the removal of hazardous fuels will minimize

1 catastrophic damage from wildfires, reducing the
2 need for emergency funding to respond to wildfires
3 and protecting lives, communities, watersheds, and
4 wildlife habitat.

5 (4) The hazardous fuels removed from forest
6 lands represent an abundant renewable resource as
7 well as a significant supply of biomass for biomass-
8 to-energy facilities.

9 (b) HAZARDOUS FUELS TO ENERGY GRANT PRO-
10 GRAM.—The Secretary concerned may make a grant to a
11 person that operates a biomass-to-energy facility to offset
12 the costs incurred to purchase hazardous fuels from forest
13 lands for use by the facility in the production of electric
14 energy, useful heat, or transportation fuels. The Secretary
15 concerned shall select grant recipients on the basis of their
16 planned purchases of hazardous fuels and the level of an-
17 ticipated benefits to reduced wildfire risk.

18 (c) GRANT AMOUNTS.—A grant under this section
19 shall be equal to at least \$5 per ton of hazardous fuels
20 delivered, but not to exceed \$10 per ton of hazardous fuels
21 delivered, based on the distance of the hazardous fuels
22 from the biomass-to-energy facility.

23 (d) MONITORING OF GRANT RECIPIENT ACTIVI-
24 TIES.—As a condition on a grant under this section, the
25 grant recipient shall keep such records as the Secretary

1 concerned may require to fully and correctly disclose the
2 use of the grant funds and all transactions involved in the
3 purchase of hazardous fuels derived from forest lands.
4 Upon notice by a duly authorized representative of the
5 Secretary concerned, the operator of a biomass-to-energy
6 facility that purchases or uses the resulting hazardous
7 fuels shall afford the representative reasonable access to
8 the facility and an opportunity to examine the inventory
9 and records of the facility.

10 (e) MONITORING OF EFFECT OF TREATMENTS.—The
11 Secretary concerned shall monitor Federal lands from
12 which hazardous fuels are removed and sold to a biomass-
13 to-energy facility to determine and document the reduction
14 in fire hazards on such lands.

15 (f) DEFINITIONS.—In this section:

16 (1) BIOMASS-TO-ENERGY FACILITY.—The term
17 “biomass-to-energy facility” means a facility that
18 uses forest biomass as a raw material to produce
19 electric energy, useful heat, or transportation fuels.

20 (2) FOREST BIOMASS.—The term “forest bio-
21 mass” means hazardous fuels and biomass accumu-
22 lations from precommercial thinnings, slash, and
23 brush on forest lands that do not satisfy the defini-
24 tion of hazardous fuels.

1 (3) HAZARDOUS FUELS.—The term “hazardous
2 fuels” means any unnaturally excessive accumulation
3 of organic material, particularly in areas designated
4 as condition class 2 or condition class 3 (as defined
5 in the report entitled “Protecting People and Sus-
6 tainable Resources in Fire-Adapted Ecosystems”,
7 prepared by the Forest Service, and dated October
8 13, 2000), on forest lands that the Secretary con-
9 cerned determines poses a substantial present or po-
10 tential hazard to forest ecosystems, wildlife, human,
11 community, or firefighter safety in the case of a
12 wildfire, particularly a wildfire in a drought year.

13 (4) SECRETARY CONCERNED.—The term “Sec-
14 retary concerned” means—

15 (A) the Secretary of Agriculture or the
16 designee of the Secretary of Agriculture with
17 respect to the National Forest System lands
18 and private lands.

19 (B) the Secretary of the Interior or the
20 designee of the Secretary of the Interior with
21 respect to Federal lands under the jurisdiction
22 of the Secretary of the Interior and Indian
23 lands.

1 (g) AUTHORIZATION OF APPROPRIATIONS.—There is
2 authorized to be appropriated \$50,000,000 for each fiscal
3 year to carry out this section.

4 **SEC. 912. BIOENERGY PROGRAM.**

5 Notwithstanding any limitations in the Commodity
6 Credit Corporation Charter Act (15 U.S.C. 714 et seq.)
7 or part 1424 of title 7, Code of Federal Regulations, the
8 Commodity Credit Corporation shall designate animal
9 fats, agricultural byproducts, and oils as eligible agricul-
10 tural commodities for use in the Bioenergy Program to
11 promote industrial consumption of agricultural commod-
12 ities for the production of ethanol and biodiesel fuels.

13 **SEC. 913. AVAILABILITY OF SECTION 32 FUNDS.**

14 The 2d undesignated paragraph of section 32 of the
15 Act of August 24, 1935 (Public Law 320; 49 Stat. 774;
16 7 U.S.C. 612c), is amended by striking “\$300,000,000”
17 and inserting “\$500,000,000”.

18 **SEC. 914. SENIORS FARMERS’ MARKET NUTRITION PRO-**
19 **GRAM.**

20 For each of the fiscal years 2002 through 2011, the
21 Secretary of Agriculture shall use \$15,000,000 of the
22 funds available to the Commodity Credit Corporation to
23 carry out and expand a seniors farmers’ market nutrition
24 program. The purposes of the seniors farmers’ market nu-
25 trition program are—

1 (1) to provide resources in the form of fresh,
2 nutritious, unprepared, locally grown fruits, vegeta-
3 bles, and herbs from farmers' markets, roadside
4 stands and community supported agriculture pro-
5 grams to low-income seniors;

6 (2) to increase the domestic consumption of ag-
7 ricultural commodities by expanding or aiding in the
8 expansion of domestic farmers' markets, roadside
9 stands, and community supported agriculture pro-
10 grams; and

11 (3) to develop or aid in the development of new
12 and additional farmers' markets, roadside stands,
13 and community supported agriculture programs.

14 **SEC. 915. FEDERAL MARKETING ORDER FOR CANE BER-**
15 **RIES.**

16 The Secretary of Agriculture shall issue a Federal
17 marketing order for cane berries grown in the United
18 States.

○